

REAL ESTATE MORTGAGE

THE MORTGAGOR, BONNEVILLE HOT SPRINGS RESORT, INC., a Washington Corporation, mortgages to JOHN E. SULLIVAN and NITA L. SULLIVAN, his wife, and HAZEL V. STUTSMAN, to secure the total payment of ONE HUNDRED NINETY THOUSAND and no/100 DOLLARS (\$190,000.00), plus interest, according to the terms of two (2) separate promissory notes dated herewith, made by mortgagor and payable to the order of the respective mortgagees, the following described real estate situated in Skamania County, Washington:

PARCEL 1

THAT PORTION OF THE B.B. BISHOP D.L.C. IN SECTIONS 16, 17 and 20, TOWNSHIP 2 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE SAID SECTION 16, WITH THE NORTHERLY LINE OF THE COUNTY ROAD KNOWN AS THE MOFFETTS-CARPENTER ROAD; THENCE FOLLOWING THE NORTHERLY LINE OF SAID ROAD IN A NORTHERLY AND EASTERLY DIRECTION TO INTERSECTION WITH THE WESTERLY LINE OF THE 300 FOOT STRIP OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA FOR THE BONNEVILLE POWER ADMINISTRATION'S ELECTRIC POWER TRANSMISSION LINES (BOOK 27 PAGE 315); THENCE FOLLOWING THE WESTERLY LINE OF SAID 300 FOOT STRIP OF LAND TO INTERSECTION WITH THE NORTH LINE OF SAID BISHOP D.L.C.; THENCE WEST ALONG THE NORTH LINE OF SAID BISHOP D.L.C. TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINE OF SAID BISHOP D.L.C. TO THE NORTHERLY LINE OF THE SAID MOFFETTS-CARPENTER ROAD; THENCE EASTERLY ALONG THE NORTH LINE OF SAID ROAD TO THE POINT OF BEGINNING; EXCEPT THE FOLLOWING TRACT OF LAND: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SAID BISHOP D.L.C. WITH THE WESTERLY LINE OF SAID 300 FOOT STRIP OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA (BOOK 27 PAGE 315); THENCE SOUTH $32^{\circ} 27' 30''$ WEST 754.95 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SAID MOFFETTS-CARPENTER ROAD; THENCE IN A NORTHWESTERLY DIRECTION FOLLOWING THE NORTHERLY LINE OF SAID ROAD TO INTERSECTION WITH THE CENTERLINE OF THE RIGHT-OF-WAY GRANTED TO THE NORTHWESTERN ELECTRIC COMPANY (BOOK 10 PAGE 85); THENCE IN A NORTHEASTERLY DIRECTION FOLLOWING THE CENTERLINE OF SAID RIGHT-OF-WAY TO INTERSECTION WITH THE NORTH LINE OF THE SAID BISHOP D.L.C.; THENCE EAST TO THE POINT OF BEGINNING.

PARCEL 2

THAT PORTION OF GOVERNMENT LOTS 8 AND 9 OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKING THE INTERSECTION BETWEEN THE CENTER OF GREENLEAF CREEK AND THE SOUTH LINE OF THE SAID GOVERNMENT LOT 9, SAID POINT BEING LOCATED ON THE NORTH LINE OF THE B.B. BISHOP D.L.C.; THENCE FOLLOWING THE CENTER OF GREENLEAF CREEK IN A NORTHEASTERLY DIRECTION TO A POINT IN THE SAID GOVERNMENT LOT 8, NORTH 430 FEET FROM THE NORTH LINE OF THE SAID BISHOP D.L.C.; THENCE WESTERLY PARALLEL TO, AND 430 FEET DISTANT FROM, THE NORTH LINE OF THE SAID BISHOP D.L.C. TO INTERSECTION WITH THE WEST LINE OF THE SAID GOVERNMENT LOT 9; THENCE SOUTH TO THE NORTH LINE OF SAID BISHOP D.L.C.; THENCE EASTERLY ALONG THE NORTH LINE OF SAID BISHOP

D.L.C. TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF LYING WESTERLY OF THE NATURAL GAS PIPELINE CONVEYED TO PACIFIC NORTHWEST PIPELINE CORPORATION (BOOK 40 PAGE 465); and

EXCEPT A TRACT OF LAND 40 FEET BY 115 FEET IN SIZE IN GOVERNMENT LOT 9 OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, GRANTED TO WILLIAM F. HOWARD BY DEED DATED OCTOBER 2, 1964 AND RECORDED OCTOBER 20, 1964 AT PAGE 287 OF BOOK 53 OF DEEDS, RECORDS OF SKAMANIA COUNTY, WASHINGTON.

It is agreed that all lighting, heating, plumbing and other fixtures now or hereafter used in connection with the buildings on the above property shall be construed as a part of the realty.

The mortgagees agree to subordinate their security interest in the above property to any financial institution that lends money to the mortgagor for the purpose of making capital improvements on said real estate, provided that and to the extent that said loan funds are used for capital improvement purposes.

In preparation of any improvements to the subject property the parties agree that the mortgagor shall have the right to cause the destruction and removal of the existing building(s).

Mortgagor agrees to pay before delinquency all taxes, liens, assessments and all interest and charges on prior encumbrances upon said property, and to keep the buildings constructed upon said property in good repair and insured in a company approved by the mortgagees for not less than \$190,000.00), with a loss payable clause to the mortgagees.

In case of failure to perform any of the foregoing covenants, or if default is made in the payment of said notes or the interest accruing thereon, or any part thereof, according to their terms, then this mortgage may be at once foreclosed and in such foreclosure suit there shall be included in the judgment a reasonable sum as attorneys fees, together with all sums paid by the mortgagees or assigns on account of taxes, liens, assessments, abstracts or title insurance charges, costs of searching records, interest, and fire insurance, with interest at the highest rate allowed under the laws of the State of Washington up to but not exceeding 16% per annum from date of judgment.

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DATED at Stevenson, Washington, this 25th day of November, 1981.

BONNEVILLE HOT SPRINGS RESORT, INC., a Washington Corporation, by:

Vladimir Krijanovsky

Title: President

STATE OF WASHINGTON)
County of Skamania) ss.

THIS IS TO CERTIFY that on the 25th day of November, 1981, personally appeared before me VADIM KRIJANOVSKY, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the instrument and that the seal affixed is the corporate seal of the corporation.

IN WITNESS WHEREOF I have hereunto set my hand and seal the day and year first above written.

[Signature]

Notary Public in and for the State of Washington, residing at Stevenson

