

AFTER RECORDING MAIL TO:
COMMUNITY FIRST FEDERAL SAVINGS
P.O. Box 1150
Vancouver, WA 98666

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REAL ESTATE MORTGAGE

(Leasehold Interest)

This Mortgage, made this 5th day of DECEMBER, 1984, by the mortgagors ROBERT L. HOWARD and MARY K. HOWARD, husband and wife

to COMMUNITY FIRST FEDERAL SAVINGS OF VANCOUVER, a corporation, the mortgagee;

WHEREAS, the State of Washington, Department of Natural Resources, did by a certain lease, Lease No. 58985, bearing date of August 11, 1970, as amended by document dated February 10, 1972, as authorized under RCW 79.01.096, demise and lease for purposes stated in its bid for development and use unto Water Front Recreation Inc., a Washington Corporation, all and singular the premises hereinafter described, all as located in the County of Skamania, State of Washington, to wit:

Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East of the Willamette Meridian, having an area of 88.40 acres, more or less. Subject, however, to an easement for right of way for access road acquired by the United States of America, United States Forest Service; and

WHEREAS, the term of said lease is for a period of fifty-five (55) years from June 1, 1970 to June 1, 2025, subject to a renewal as provided by law. Water Front Recreation, Inc., a Washington Corporation, is to pay to the State of Washington such sums at such times at a place designated, all in accordance with the terms of said Lease No. 58985 held in the office of the Department of Natural Resources, State of Washington, and as recorded under Auditor's File No. 72521, records of Skamania County, Washington; and

WHEREAS, in accordance with the terms of the lease and the development plan submitted to the State of Washington, the property herein described is not used principally for agricultural or farming purposes; and

WHEREAS, Water Front Recreation, Inc. has submitted, and approved, and recorded in the Office of the Auditor of Skamania County, Washington, a Plat and Survey of the above described property entitled "Water Front Recreation, Inc." dated May 16, 1974, on file and of record under Auditor's File No. 77523, at page 449 of Book "J" of Miscellaneous Records of Skamania County, Washington, together with appurtenant easement as established in writing on said plat for the joint use of the area shown as roadways on the plat,

ROBERT L. HOWARD and MARY K. HOWARD are entering into this mortgage to Community First Federal Savings of Vancouver to secure an indebtedness, to Community First Federal Savings of Vancouver of money being loaned by it and borrowed by the mortgagor to construct a single family home on Lot 4 as shown on the above referred to Plat and Survey, which is a part of the above described plat and survey on record in the office of the Auditor of Skamania County, Washington, and within the metes and bounds of the legal description in Lease No. 58985 heretofore described.

WHEREAS, Water Front Recreation, Inc. did with approval of the State of Washington and in conformance with the primary lease heretofore described, make, execute and deliver to the mortgagor herein a document entitled "Cabin Site Lease", a copy of which is hereto attached and incorporated herein as if set out in full.

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NOW THEREFORE, to secure the just indebtedness of the mortgagor, to
Community First Federal Savings of Vancouver,
ROBERT L. HOWARD and MARY K. HOWARD

make the covenants hereinafter stated and mortgages to Community First Federal Savings of Vancouver, a corporation, mortgagee, their cabin site leasehold interest, on the following real property located in the County of Skamania, State of Washington, to wit:

Lot 4, as shown on the Plat and Survey entitled Record of Survey for Water Front Recreation, Inc., dated May 16, 1974, on file and of record under Auditor's File No. 77523, at page 449 of Book "J" of Miscellaneous Records of Skamania County, Washington, TOGETHER WITH an appurtenant easement as established in writing on said plat, for the joint use of the areas shown as roadways on the plat. SUBJECT TO reservations by the United States of America in approved selection list number 259 dated March 4, 1953, and recorded September 4, 1953, at page 23, of Book 52 of Deeds, under Auditor's File No. 62114, records of Skamania County, Washington as follows:

". . . the provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended . . . and the prior right of the United States, its licensees and permittees to use for power purposes that part within Power Projects No. 2071, 2111, and 264."

The lien of this mortgage shall also extend over and to and shall cover any future interest that the mortgagor may acquire in the said real property, and also all future equipment, appurtenances, or fixtures, attached to or becoming a part thereof, as such equipment and appurtenances are hereinafter described, and also the rentals, issues and profits of the mortgaged property.

The debt secured by this mortgage is in the principal sum of TWENTY EIGHT THOUSAND NINE HUNDRED FIFTY AND NO/100ths Dollars, (\$ 28,950.00) payable in monthly installments of Dollars, as per terms on note each, and the debt secured hereby matures in full on the 1st day of JANUARY, 1995, all in accordance with the terms and conditions on one certain promissory note evidencing this debt which note is of even date with this mortgage and is made, executed and delivered by the mortgagor to the mortgagee concurrently with this mortgage and as part of this contract.

Also, this mortgage lien shall continue in force and exist as security for any and all other advances which may hereafter be made by the mortgagee to the mortgagor, and shall continue in force and exist as security for any debt owing, or hereafter to become owing, by the mortgagor to the mortgagee.

The mortgagors covenant that they are the owners of the leasehold interest in the above described premises; that the same are now free of encumbrance; that this mortgage is for the benefit of the mortgagee for its proper use and benefit for and during all the rest, residue and remainder of said term of years yet to come and unexpired; subject, nevertheless, to the rents, covenants, conditions,

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and provisions in the indenture of lease mentioned from the State of Washington; that by separate document they have assigned with consent of the State of Washington all of their right, title and interest in and to the above described leasehold interest to the mortgagee herein as a part of this transaction and contract to better secure the mortgage; that the State of Washington has consented to the mortgagor entering into this transaction; that they will keep the buildings and other destructible property covered by this mortgage insured against loss by fire, in a sum at lease equal to the mortgagee's appraised value thereof; such insurance contract shall be issued by a responsible insurance company and the policy evidencing the same shall be delivered into the possession of the mortgagee. The said policy shall be endorsed by the mortgagor and shall contain an appropriate clause providing that the loss thereunder, if any, shall be payable to the mortgagee, in accordance with its interest at the time of loss. The mortgagor further covenants that they will pay promptly all premiums on such insurance; and that they will pay promptly before delinquency any and all installments of taxes, special assessments and other governmental levies, together with all rentals and payments required of them under the cabin site lease hereto attached, which may hereafter be levied against or become a lien upon this mortgaged property; that they will keep the buildings and appurtenances on the said property in a good state of repair, all to the effect that the value of the said property shall not be impaired during the life of this mortgage.

The mortgagor further covenants and agrees that any and all electric wiring, furnace and heating systems, including water heaters, burners, fuel storage bins and tanks, the plumbing, ventilating, water and irrigation systems, the screens and screen doors, built-in mirrors, cupboards, cabinets, and other things of like or similar character, and all trees and garden shrubs, shall be considered as, and in case of foreclosure of this mortgage, adjudicated to be, fixtures, and a part of the mortgaged property, and shall pass to the purchaser at any execution sale resulting from a foreclosure of this mortgage, and in the absence of foreclosure, and during the life of this mortgage, none of such items shall be removed, nor their value in any way impaired, by the mortgagor or their successor. In event Section 5.09 of the master lease referred to below is invoked for the protection of the mortgagee, the above items shall be considered in the same manner as if this mortgage had been foreclosed, or in the event mortgagee obtains possession through any other means the items above referred to shall be considered in like manner.

The mortgagor further covenants and agrees that the loan secured by this mortgage is made upon the personal character and integrity of the mortgagor, as well as upon the security offered, and that therefore they will not convey this mortgaged property, or any interest therein, without the consent of the mortgagee, and if any such consent is given, and any such conveyance made, the purchaser or grantee will, personally, assume and agree to pay this debt.

Now if the mortgagor shall fail to pay any installment of principal or interest upon the debt secured hereby or should they fail to perform strictly any other covenants or conditions of this mortgage, or the note evidencing the debt secured hereby, or the covenants, conditions and terms of the lease indenture with Water Front Recreation, Inc., identified and referred to above, then, at the election of the mortgagee, the whole debt secured hereby shall become immediately due and payable and mortgagee may invoke all or any of the terms of the lease made by the mortgagor with Water Front Recreation, Inc. for the benefit of a lending agency; in addition, those premises in the master lease from the State of Washington to Water Front Recreation, Inc. for the benefit of mortgagee are hereby incorporated specifically, and mortgagor agrees to assign their cabin site lease to mortgagee herein, referring to, but not limited to, Section 5.08 and

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"5.08" Insolvency of Lessee. If the Lessee becomes insolvent or bankrupt, or if a receiver is appointed, the State may cancel, at its option, the lease unless the lease has been used as collateral with the State's consent. If the Lessee should default in a payment to the lending agency, the State, upon request by the Lender, shall assign the lease to the lending agency who may, thereafter, either operate the leased site or, with the approval of the State, assign the lease.

"5.09" Status of Sub-leases. Termination of this lease, by cancellation or otherwise, prior to the lease termination date, shall not serve to cancel approved sub-leases, nor derogate from the rights of the lienholders of record, but shall operate as an assignment to the State of any and all such sub-leases, together with the unrestricted right of the State to receive all sub-lease payments therein provided for from the date of said assignment. Upon termination of this lease, by cancellation or otherwise, prior to the termination date of said lease, the Lessee shall have no claim to sub-lease payments and/or sub-lease improvement values herein contained."

Or mortgagee may immediately foreclose this mortgage and the property covered by this mortgage may be sold as provided by law, and in event of such assignment or foreclosure sale or the invoking of any other remedy provided by law by the mortgagee, shall be a perpetual bar, both in law and equity, against the mortgagor and against all persons claiming or to claim the premises, or any part thereof by, from, through or under the mortgagor or any of them.

At the election of mortgagee, if it so desires, if mortgagor shall fail to pay any installment of taxes, special assessments or other governmental levies that may become due, or if they shall fail to purchase and pay the premium on any policy of insurance, then the mortgagee may pay or advance such sums as may be necessary to pay such tax assessments, or governmental levy, or such insurance premium, and the amount so paid shall be added to and become a part of the debt secured hereby.

The mortgagor further agrees that if they should fail to make the payments as herein provided, or should they fail to perform any other covenant or condition of this contract, and in case of a foreclosure action, they agree to pay, in addition to the principal and interest then due, and in addition to any items of expense as are above mentioned, such sum as the court may adjudge reasonable as attorney's fees in such foreclosure action.

The mortgagor further represents that the funds loaned by the mortgagee and secured by this mortgage are to be used for improvements of the mortgaged premises.

DATED this 5th day of December, 1985

By _____

By ✓ Robert L. Howard
Robert L. Howard

By _____

By Mary K. Howard

STATE OF WASHINGTON)
) ss
County of CLARK)

On this day personally appeared before me

ROBERT L. HOWARD AND MARY K. HOWARD

to be known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 6th day of DECEMBER, 1981.

Notary Public in and for the State
of Washington, residing in
VANCOUVER