

REAL PROPERTY MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That the undersigned JACK D. PHILLIPS and JOHANNA PHILLIPS, husband and wife, hereinafter referred to as "Mortgagor", do by this instrument mortgage unto JAMES C. DAVIS and VELOISE E. DAVIS, husband and wife, hereinafter referred to as "Mortgagee", the following real property situated in Skamania County, State of Washington, to-wit:

Beginning at the Southeast corner of the Southwest quarter of the Northwest quarter of Section 33, Township 2 North, Range 5 East of the Willamette Meridian; thence West along the center line of Section 33 a distance of 250 feet; thence North a distance of 250 feet, more or less, to the center of the County Road known as Salmon Falls Road; thence in an Easterly direction along the center line of said County Road to intersection with the East line of said Southwest quarter of the Northwest quarter of Section 33, thence South to the point of beginning.

EXCEPT County Roads, if any.

SUBJECT TO a mortgage thereon to the Bank of Washougal.

This mortgage is given to secure the performance of the covenants and agreements herein contained and the payment of the sum of THREE THOUSAND FOUR HUNDRED TWENTY-EIGHT and 57/100 DOLLARS (\$3,428.57) according to the terms of one certain promissory note executed by Mortgagor to Mortgagee bearing even date herewith.

Mortgagor covenants and agrees as follows: That Mortgagor is lawfully seized of the property herein described in fee simple, and that Mortgagor has a good and lawful right to mortgage the same as herein provided; that the real property described herein is free of liens or encumbrances of every kind or nature except as described herein and except as to that certain mortgage to the Bank of Washougal, Washougal, Washington, as mentioned above; that Mortgagor will seasonably pay all taxes and municipal or other governmental assessments of every kind and nature hereafter levied on the property; that Mortgagor will punctually pay and perform the terms and conditions of the aforesaid prior mortgage according to the terms of the same; that Mortgagor will permit no waste of the property and will at all times keep and maintain the said premises and any and all buildings thereon in a clean and sanitary condition and in a good state of repair and maintenance; that Mortgagor will at all times during the life of this mortgage keep all such buildings thereon continually insured against fire and extended coverage to the full insurable value of the same, with proceeds of such insurance payable to the Mortgagee as their interest shall appear, and to deliver to Mortgagee all such policies of insurance or suitable certificates verifying the existence of such insurance, and Mortgagor covenants in all things concerning the mortgaged property to manage and protect said premises so as to preserve rather than to diminish the Mortgagee's security interest therein. In event Mortgagor shall fail or neglect to pay and/or perform any of the foregoing, then Mortgagee may, at their election, pay or perform such covenants and conditions, or may at their election, pay any or all of the aforesaid prior mortgage, and any amounts so paid by Mortgagee shall be forthwith repayable by Mortgagor on demand, and any such sums shall be at all times secured by the lien of this mortgage.

