MORTGAGE AND

AGREEMENT TO PROVIDE WATER FACILITIES

This agreement between Public Utility District No. 1 of Skamania County, Washington, a municipal corporation, (herein sometimes called "the District"), and Grace Lee Miller, (herein called "the Owner") is made for the benefit of premises (herein called "the Property") in Skamania County, Washington, described as follows:

That portion of the $SW^{\frac{1}{4}}$ $NE^{\frac{1}{4}}$ and the $NW^{\frac{1}{4}}$ $SW^{\frac{1}{4}}$ of Section 20, Township 3 North, Range 10 East W.M., more particularly described as follows:

Commencing at the intersection of the County Road known as the Kollock Road and the County Road known as the Collins and Knapp Road near the quarter corner on the West side of Section 20; thence in an Easterly direction following the center line of the said Collins and Knapp Road a distance of 86 rods more or less to intersection with the East line of the SWL NWL of the said Section 20; thence South along the sixteenth Section line a distance of 75 rods more or less to intersection with the said Kollock Road; thence in a northwesterly direction following the center line of the Kollock Road to the place of beginning; said tract containing 19 acres more or less.

The property is located either within or so close to the District that water service can be made available to it from the District's Underwood Water System. The property has not been assessed to pay its proportionate share of the cost of said system.

In order that the facilities of such system may be made available to the Property at a cost and upon terms approximately the same as would be paid if the property were assessed to construct water facilities to serve it, the parties agree as follows:

The District will allow the water facilities of the building or buildings located upon the Property to be connected with the District's water system. Each connection will be made by the District at the Owner's expense.

In addition to the costs of connections which shall be paid by the Owner when incurred by the District, and in consideration of the privilege of having the District's water facilities available to the property and in consideration of the benefits to the property resulting from the District's improved facilities. the Owner agrees to pay the District Seven Hundred and Fifty Dollars (\$750.00) plus interest at the rate of 5% per annum on unpaid balances. Twenty per cent (20%) of the original principal amount, plus all accrued interest, shall be due on March 1, 1968, and annually thereafter, and may be paid any time during the 30 days following the due date without penalty or additional interest. Any amount not paid within 30 days after it matures shall thereupon become delinquent. All delinquent principal shall continue to bear interest at the above rate from date of maturity until paid. The District shall also collect a penalty computed at the rate of 6% per annum upon the entire delinquent amount, both principal and interest, from date of delinquency until paid. The Owner may at any time make additional payments in multiples of 5% of the original principal amount plus interest on the amount so paid to the date of maturity of the annual installment next falling due or to a date six months prior to such maturity date, whichever occurs first after the date of payment; Provided, that any such payment made within 30 days after an annual maturity date may be made without additional interest. Each such additional payment shall be credited upon the indebtedness and stop the running of interest on the amount so paid after the date to which interest thereon is required to be paid but shall not relieve the Owner from making annual payments as herein provided until the entire debt is paid.