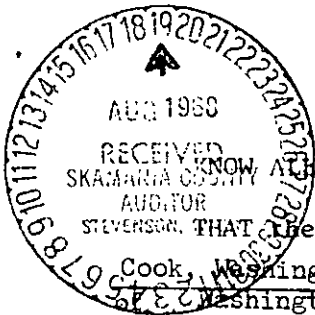


REAL AND PERSONAL PROPERTY MORTGAGE - INSURED

RECEIVED SKAMANIA COUNTY AUDITOR STEVENSON. THAT MEN BY THESE PRESENTS, Dated August 14, 1968:

The undersigned MILL-A WATER COMPANY, INC., of Cook, Washington 98605, of the County of Skamania, State of Washington (hereinafter called Borrower) is justly indebted to the UNITED STATES OF AMERICA, acting through the Farmers Home Administration, U. S. Department of Agriculture (hereinafter called the Government), as evidenced by the following-described promissory note payable to the order of the Government:

<u>Date</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Final Installment Due</u>
<u>August 14, 1968</u>	<u>\$26,000.00</u>	<u>5%</u>	<u>August 14, 2008</u>

And, the note evidences a loan to Borrower in the principal amount specified therein, made with the purpose and intention that the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farmers Home Administration Act of 1961; and

When payment of the note is insured by the Government, it may be assigned from time to time and each holder of the insured note, in turn, will be the insured lender; and

When payment of the note is insured by the Government the Government will execute and deliver to the insured lender along with the note an insurance endorsement insuring the payment of the note fully as to principal and interest; and

At all times when payment of the note is insured by the Government, the Government by agreement with the insured lender set forth in the insurance endorsement will be entitled to a specified portion of the interest payments on the note, to be designated the "annual charge"; and

A condition of the insurance of payment of the note will be that the holder will forego his rights and remedies against Borrower and any others in connection with said loan, as well as any benefit of this instrument, and will accept the benefits of such insurance in lieu thereof, and upon the Government's request will assign the note to the Government; and

It is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument shall secure payment of the note; but when the note is held by an insured lender, this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance endorsement by reason of any default by Borrower.