

MORTGAGE

BOOK 41 PAGE 902

Know all men, that this 21st day of April, 1971, by
 Lloyd B. and Margaret A. Kelley, Husband and Wife

of Skamania, Wash., County of Skamania, State of Washington, mortgagor, and
 The National Bank Of Commerce Of Seattle, a national banking association, White Salmon
 Branch, White Salmon, Washington, a corporation
 organized and existing under the laws of The United States Of America, mortgagee,

WITNESSETH, That the mortgagor mortgages to the mortgagee, its successors and assigns, the following de-
 scribed real estate, situated in the County of Skamania, State of Washington, to wit:

That portion of SE 1/4 Section 25 T3 N6, Range 7 E. W. M. described as follows:
 Beginning at a point 40 chains north and 20 chains west of SE corner of said section 25;
 thence west 6 chains, thence south 20 chains thence east 5 chains; thence north 5 chains
 thence east 2 chains thence north 4 chains thence west 2 chains thence north 11 chains to
 point of beginning; EXCEPT that portion thereof lying northerly of the centerline of the
 County Road known and designated as the Baker Road.

with all rents, issues and profits therefrom, and all appurtenances, fixtures, attachments, tenements and heredita-
 ments belonging or appertaining thereto, including all heating equipment, oil burners, light and plumbing fixtures,
 window shades, linoleum which is glued to floors, refrigeration and other house service equipment, and trees and
 shrubs, together with all interest therein of the mortgagor and that is hereafter acquired by him, to secure the pay-
 ment of the principal sum of Eighteen Thousand Three Hundred Fifty And No/100 Dollars (\$ 18,350.00)

), as evidenced by a certain promissory note of even date herewith and the
 terms of which are incorporated herein by reference, with interest from date at the rate of Seven
 per centum (7 %) per annum on the balance remaining from time to time unpaid; the said

principal and interest to be payable at the office of The National Bank Of Commerce Of Seattle
 in White Salmon, Wash. or at such other place as the holder may designate in writing, in monthly installments
 of One Hundred Twenty Two And 21/100 Dollars (\$ 122.21)

), commencing on the first day of June, 1971, and on the first day
 of each month thereafter until the principal and interest are fully paid, except that the final payment of the entire in-
 debtedness evidenced by said note, if not sooner paid, shall be due and payable on the first day of
May, 1971.

The within-described mortgaged property is not used principally for agricultural or farming purposes.

And the mortgagee does hereby covenant that he is lawfully seized of an indefeasible estate in fee; that said premises are free of any encumbrances; that he hereby warrants the usual covenants to the same extent as a statutory warranty deed under the laws of the State of Washington and all covenants herein made, and that he will defend against any breach of any or all of the same.

The mortgagor further covenants and agrees as follows:

1. That he will pay the indebtedness, as herein more provided, a privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity, provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment, and provided further that in the event the debt is paid in full prior to maturity and at that time it is insured under the provisions of the National Housing Act, he will pay to the mortgagee an adjusted premium charge of one per centum (1%) of the original principal amount thereof, except that in no event shall the adjusted premium exceed the aggregate amount of premium charges which would have been payable if the mortgage had continued to be insured until maturity, such payment to be applied by the mortgagee upon its obligation to the Secretary of Housing and Urban Development on account of mortgage insurance.

2. That, in order more fully to protect the security of this mortgage, the mortgagor, together with, and in addition to, the monthly installments of principal and interest payable under the terms of the note secured hereby, on the first day of each month until the said note is fully paid, will pay to the mortgagee the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development, as follows:

(i) If and so long as said note of even date and this instrument are insured or are retained under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one (1) month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder; or

(ii) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note computed without taking into account delinquencies or prepayments;

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments now due on the mortgaged property (all as estimated by the mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by mortgagee in trust to pay said ground rents, premiums, taxes and special assessments; and

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the mortgagor each month in a single payment to be disbursed by the mortgagee to the following items in the order set forth:

(i) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;

(ii) ground rents, taxes, assessments, fire and other hazard insurance premiums;

(iii) interest on the note secured hereby; and

(iv) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payments shall, unless made good by the mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The mortgagee may collect a "late charge" not to exceed two cents (2c) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. If the total of the payments made by the mortgagor under (b) of paragraph 2 preceding shall exceed the amount or payments actually made by the mortgagee for ground rent, taxes or assessments or insurance premiums, as the case may be, such excess shall be credited by the mortgagee on subsequent payments to be made by the mortgagor. If, however, the monthly payments made by the mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay ground rent, taxes or assessments or insurance premiums, as the case may be, when the same shall become due and payable, then the mortgagor shall pay to the mortgagee any amount necessary to make up the deficiency on or before the date when payment of such ground rent, taxes, assessments or insurance premiums shall be due. If at any time the mortgagor shall tender to the mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the mortgagee shall, in computing the amount of such indebtedness, credit to the account of the mortgagor all payments made under the provisions of (a) of paragraph 2 hereof which the mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the mortgagee acquires the property otherwise after default, the mortgagee shall, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding as a credit against the amount of the principal then remaining unpaid under said note, and shall properly adjust any payments which shall have been made under (a) of said paragraph.

4. That he will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made heretofore, and will promptly deliver the official receipts therefor to the said mortgagee; and in default thereof the mortgagee may pay the same.

5. That he will keep all buildings and structures now on said premises or hereafter placed thereon in good repair and in as good condition as they now are, complete all buildings or other structures being or about to be built thereon within six months from the date hereof, and that he will permit no waste upon the mortgaged premises. The mortgagor further covenants to keep the buildings, improvements and fixtures now existing or hereafter erected on the mortgaged property insured as may be required from time to time by the mortgagee against loss by fire and other hazards, casualties and contingent losses in such amounts and for such periods as may be required by the mortgagee and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made herein.

before. All insurance shall be carried in companies approved by the mortgagee and the policies and renewals thereof shall be held by the mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss mortgagee will give immediate notice by mail to the mortgagor, who may make proof of loss if not made promptly by mortgagee, and cause insurance company concerned is hereby authorized and directed to make payment for such loss directly to the mortgagee instead of to the mortgagor and the mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

6. That in the event of default in any of the covenants or agreements contained herein, or in said note, then the mortgagee may perform the same, and all expenditures made by the mortgagee in so doing shall draw interest at the rate set forth in the note secured hereby and shall be repayable by the mortgagor to the mortgagee, and, together with interest and costs accruing thereon, shall be secured by this mortgage.

7. That if there is a default, regardless of whether or not the mortgagee elects to foreclose this mortgage, the mortgagee may collect all rents which may become due on the above property, deduct therefrom any necessary operating expenses and four and one-half per centum (4½%) of the gross rents collected as compensation for making the collections, and apply the remainder on the balance due on the mortgage.

8. That the mortgagee may appear in and defend any action or proceeding purporting to affect the security hereof, and that the mortgagor will pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the mortgagee may appear.

9. The mortgagor further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within _____ from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the _____ time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility), the mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable.

10. The mortgagor covenants and agrees that so long as this mortgage and the said note secured hereby are insured under the provisions of the National Housing Act, he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, or creed. Upon any violation of this undertaking, the mortgagee may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.

11. That if the mortgagor shall well and truly pay, or cause to be paid, the promissory note secured hereby, with interest as it shall become due and payable, and shall make all other payments provided for herein and therein, and shall otherwise comply with and perform the conditions and covenants herein contained, then this indenture and the estate hereby granted shall be null and void, otherwise, to remain in full force and virtue. It is, however, distinctly understood and agreed that if the interest on the aforementioned note, or the principal thereof, shall not be punctually paid when the same becomes due and payable, as is provided in said note, or in case of any other default under the terms of this mortgage, then and in such case the principal sum of said promissory note and interest therein shall, at the option of the mortgagee, become immediately due and payable, and proceedings may forthwith be had by the mortgagee for recovery of the same, either by suit on said note or by foreclosure on this mortgage, anything in said note or in this indenture contained to the contrary thereof notwithstanding. In any decree of foreclosure of this mortgage, all costs, including a reasonable attorney's fee, shall be included in the judgment, and in case such foreclosure suit is settled before judgment is rendered therein, such costs shall nevertheless be paid.

The covenants and agreements herein contained are joint and several and shall be binding upon, and inure to the benefit of, the heirs, devisees, legal representatives, successors in interest or assigns of the parties hereto. If more than one joint in the execution hereof or if any be of the feminine sex, the pronouns and relative words used shall be read as if written in the plural or the feminine respectively.

Witness the hand(s) and seal(s) of the mortgagor(s) on the day and year first above written.

Witnesses:

Steph Y. Kelly [SEAL]

Margaret A. Kelly [SEAL]

_____ [SEAL]

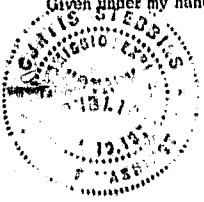
_____ [SEAL]

STATE OF WASHINGTON,
COUNTY OF Klickitat

I, the undersigned, Curtis Stebbins hereby certify that on this 21st day of April 1971, personally appeared before me Lloyd G. Or Margaret A. Kelley

to me known to be the individual described in and who executed the within instrument, and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.



Curtis Stebbins
Notary Public in and for the State of Washington, residing at White Salmon in said county.



REGISTERED	INDEXED
DIRECT	INDIRECT
RECORD NO.	COMPASS

STATE OF WASHINGTON

LOAN NO.

Mortgage

LLOYD G. KELLEY et ux.

TO

THE NATIONAL BANK OF COMMERCE OF
SEATTLE, WHITE SALMON
BRANCH

State of Washington,
County of Stemmen

I hereby certify that this within Mortgage was filed in this office for Record on the 26 day of April, A.D. 1971, at 10 o'clock PM, and was duly recorded in Book 48 of Record of Mortgages of Stemmen

County, State of Washington, on page 903

By E. P. Todd County Auditor
E. Macdonald Deputy

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Notary to be used as the security in connection with mortgage and other Sections 203 and 222 transactions with "individual mortgagors" as defined under Sections 212, 213, 214, 215 and 216 of the National Bank Act.

[Handwritten signature]