

REAL ESTATE MORTGAGE

(Leasehold Interest)

This mortgage, made this 24th day of April, 1973, by the mortgagor, WATER FRONT RECREATION, INC., a Washington corporation, to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF VANCOUVER, a corporation, the mortgagee;

WITNESSETH:

WHEREAS, the State of Washington, Department of Natural Resources, did by a certain lease, Lease No. 58995, bearing date of August 11, 1970, as authorized under RCW 70.01.095, 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 5 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 terms 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. 75231, 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, had approved, and recorded in the office of the Auditor of Skamania County, Washington, a subdivision of the above described property known as The North Woods, consisting of roads and other improvements and Lots No. 1 through No. 111, and said Water Front Recreation, Inc., a Washington corporation, is entering into this mortgage to First Federal Savings and Loan Association of Vancouver to secure an indebtedness to First Federal Savings and Loan Association of Vancouver of money loaned by it and borrowed by the mortgagor for the purpose of making road and utility improvements on the above described real estate.

NOW, THEREFORE, to secure the just indebtedness of the mortgagor to First Federal Savings and Loan Association of Vancouver, Water Front Recreation, Inc., a Washington corporation, makes the covenants hereinafter stated and mortgages to First Federal Savings and Loan Association of Vancouver, a corporation, mortgagee, the following real property located in the County of Skamania, State of Washington, to wit:

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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.

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.

The lien of this mortgage shall also extend 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 Forty-four Thousand Five Hundred Dollars (\$44,500.00), payable in installments of Fourteen Thousand Eight Hundred Thirty-four Dollars (\$14,834.00) on May 1, 1974, and Fourteen Thousand Eight Hundred Thirty-three Dollars (\$14,833.00) on May 1, 1975, and a like sum on May 1, 1976, plus interest to be paid quarterly on the principal sum remaining unpaid at the rate of 8-3/4% per annum. The first interest payment shall become due and payable on September 15, 1973, and a like interest payment due on the fifteenth day of each quarterly month thereafter, all in accordance with the terms and conditions of 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 a 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 now owing, or hereafter to become owing, by the mortgagor to the mortgagee.

The mortgagor covenants that it is the owner 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, and provisions in the indenture of lease mentioned from the State of Washington; that by separate document, it has assigned with consent of the State of Washington all of its 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 mortgagee; that the State of Washington has consented to the mortgagor entering into this transaction; that it will keep the buildings and other destructible property covered by this mortgage insured against loss by fire in a sum at least 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 it will pay promptly all premiums on such insurance; and that it will pay promptly and before delinquency any and all installments of taxes, special assessments and other governmental levies, together with all rentals and payments required of it under the master lease with the State of Washington, which may hereafter be levied against or become a lien upon this mortgaged property; that it will keep the buildings

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.

Inc., a Washington corporation, makes the covenants hereinafter stated and mortgages to First Federal Savings and Loan Association of Vancouver, a corporation, mortgagee, the following real property located in the County of Skamania, State of Washington, to wit:

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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 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 it 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 it 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 the State of Washington 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 of any of the terms of the lease made by the mortgagor with the State of Washington for the benefit of a lending agency, specifically referring to, but not limited to, Section 5.08 therein, which states as follows:

"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 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."

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 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 it 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 assessment, or governmental levy, or such insurance premium, and the amount so paid shall be added to and become part of the debt secured hereby.

The mortgagor further agrees that should there be default in the payment of any installment of principal or interest on said debt, or should it otherwise fail in the strict performance of this contract, and any expense is incurred by the mortgagee in the way of attorney's fee, abstracting, examining records, travel, or any other expense resulting from such default, then such items of expense may be added to and become a part of the debt secured hereby.

The mortgagor further agrees that if it should fail to make the payments as herein provided, or should it fail to perform any other covenant or condition of this contract, and in case of a foreclosure action, it agrees to pay, in addition to the

GOVERNMENTAL levies, together with all rentals and payments required of it under the master lease with the State of Washington, which may hereafter be levied against or become a lien upon this mortgaged property; that it will keep the buildings

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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 improvement of the mortgaged premises.

DATED this 24th day of April, 1973.

WATER FRONT RECREATION, INC.

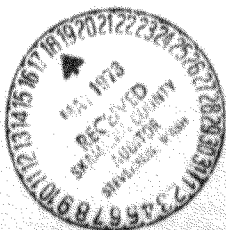
By Robert T. Curry
Robert T. Curry, President

By L. Pisk
L. Pisk, Treasurer

STATE OF OREGON)
~~WASHINGTON~~)
County of MULTNOMAH) ss.
~~Clark~~)

On this 25th day of April, 1973, before me personally appeared Robert T. Curry and L. Pisk, to me known to be the president and treasurer, respectively, of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of the corporation.

GIVEN under my hand and official seal this 25th day of April, 1973.



[Signature]
Notary Public in and for the State of
Washington, residing at Vancouver,
OREGON



BLAIR, SCHAEFER, HORTON,
WYNNE, POTTER & HORTON
Attorneys at Law
1014 Franklin Street
P. O. Box 1148
Vancouver, Washington 98660

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