

REAL ESTATE MORTGAGE

(Lessor's Interest)

This mortgage, made this 25th day of September, 1973, at the mortgagee, WILVIN J. HANSEN, a single man

to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF VANCOUVER, a corporation,
the mortgagor:

WITNESSETH:

WE, THE, the State of Washington, Department of Natural Resources, did by a certain lease, Lease No. 58995, bearing date of August 12, 1970, as amended by document dated February 10, 1972, as authorized under RCW 73.01.090, "mine 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 Shesha, State of Washington, to wit:

Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East of the Willamette Meridian, having an area of 22.40 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 term 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. 58995 held in the office of the Department of Natural Resources, State of Washington, and as recorded under Auditor's file No. 73523, records of Shesha County, Washington;

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, and approved and accepted, a plat for the County of Shesha, Washington, a plat and survey of the above described property entitled "Water Front Recreation, Inc." dated May 14, 1971, on file and of record under Auditor's file No. 73533 at page 306 in Book "J" of Miscellaneous Records of Shesha County, Washington, together with accoutrements easement as established in writing on said plat for the joint use of the area shown as roadways on the plat. WILVIN J. HANSEN, a single man

are entering into this mortgage to First Federal Savings and Loan Association of Vancouver to secure an indebtedness, in First Federal Savings and Loan Association of Vancouver of money being loaned by it and borrowed by the mortgagor, and that said indebtedness is on Int. 24 as shown on the above referred to Plat and Survey, which is a part of the above described plat and survey on record in the office of the Auditor of Shesha County, Washington, and within the metes and bounds of the legal description in Lease No. 58995 heretofore described.

WHEREAS, Water Front Navigation, Inc., did with approval of the State of Washington and in accordance with the primary laws heretofore described, take, execute and deliver to the mortgagee herein a document entitled "Cabin Site Lease", a copy of which is hereto attached and incorporated herein as if set out in full.

NOW THEREFORE, to secure the just indebtedness of the mortgagor, to First Federal Savings and Loan Association of Vancouver, MELVIN J. HANSEN, a single man

make the covenants hereinafter stated and mortgages to First Federal Savings and Loan Association of Vancouver, a corporation, mortgagee, their cabin site leasehold interest, on the following real property located in the County of Skamania, State of Washington, to wit:

LOT 24, as shown on the Plat and Survey entitled Record of Survey for Waterfront Recreation, Inc., dated May 14, 1971, on file and of record under Auditor's File No. 79635, at page 306 of Book "J" of Miscellaneous Records of Skamania County, Washington, TOGETHER WITH an appurtenant easement as established in writing on said plat, for the joint use of the areas shown as roadways on the plat. SUBJECT TO reservations by the United States of America in approved selection list number 259 dated March 4, 1953, and recorded September 4, 1953, at page 23, of Book 50 of Deeds, under Auditor's File No. 62118, records of Skamania County, Washington as follows:

"... the provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended ... and the prior right of the United States, its licensees and permittees to use for power purposes that part within Power Projects Nos. 2071, 2111, and 264."

The lien of this mortgage shall also extend over and to and shall cover any future interest that the mortgagor may acquire in the all 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 Nine Thousand Five Hundred and No/100ths Dollars, (\$9,500.00), payable in One hundred, Eighty (180) monthly installments of Ninety Six and 36/100ths Dollars, (\$96.36) each, and the debt secured hereby matures in full on the 1st day of September, 1988, 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 part of this mortgage.

Also, this mortgage shall continue in force and exist as security for all and all other demands which may hereafter be made by the mortgagee to the mortgagor, and shall continue in force and exist as security for any debt owing, or hereafter to become owing, by the mortgagor to the mortgagee.

The mortgagors covenant that they are the owners 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 term, 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 they have assigned with consent of the State of Washington all of their 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 they will keep the building and other instructure 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 they will pay promptly all premiums on such insurance and that they will pay promptly before delinquent and all installments of taxes, special assessments and other levies, together with all water and sewer charges, and all other charges then under the covenants of the lease herein attached, which shall be levied against or become a lien upon this property, and that they will keep the building and improvements in good condition and in a good state of repair, all to the extent of the value of the said property shall not be less than the value of the property at the time of the mortgage.

The mortgagor further covenants and agrees that they and all electric wiring, furnace and heating systems, lighting water heaters, burners, fuel storage bins and tanks, the plumbing, ventilating, water and irrigation systems, the screens and screen doors, built in mirrors, cupboards, cabinets, and other things of like or similar character, and all trees and garden shrubs, shall be considered as, and in case of foreclosure of this mortgage, adjudicated to be, fixtures, and a part of the mortgaged property, and shall pass to the mortgagee at any

execution sale resulting from a foreclosure of this mortgage, and in the absence of foreclosure, and during the life of this mortgage, none of such items shall be removed, nor their value in any way impaired, by the mortgagor or their successor. In event Section 5.09 of the master lease referred to below is invoked for the protection of the mortgagee, the above items shall be considered in the same manner as if this mortgage had been foreclosed, or in the event mortgagee obtains possession through any other means the items above referred to shall be considered in this manner.

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 they 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 they 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 Water Front Recreation, Inc., 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 or any of the terms of the lease made by the mortgagor with Water Front Recreation, Inc. for the benefit of a lending agency; In addition, those premises in the master lease from the State of Washington to Water Front Recreation, Inc. for the benefit of mortgagee are hereby incorporated specifically, and mortgagor agrees to assign their cabin site lease to mortgagee herein, referring to, but not limited to, Section 5.08 and Section 5.09, as amended by document dated February 10, 1972, of said lease which state 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.

"5.09" Status of Sub-lessee. Termination of this lease, by cancellation or otherwise, prior to the lease termination date, shall not serve to cancel approved sub-leases, nor derogate from the rights of the lienholders of record, but shall operate as an assignment to the State of any and all such sub-leases, together with the unrestricted right of the State to receive all sub-lease payments therein provided for from the date of said assignment. Upon termination of this lease, by cancellation or otherwise, prior to the termination date of said lease, the Lessee shall have no claim to sub-lease payments and/or sub-lease improvement values herein contained."

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

The mortgagor further agrees that if they should fail to make the payments as herein provided, or should they fail to perform any other covenant or condition of this contract, and in case of a foreclosure action, they agree to pay, in addition to the 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 mortgagees and secured by this mortgage are to be used for improvements of the mortgaged premises.

DATED this 25th day of September, 1973.

By [Signature]

By _____

Mortgagors

STATE OF WASHINGTON

ss.

County of Clark

On this day personally appeared before me _____
MELVIN J. HANSEN, a single man

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

Given under my hand and official seal this 25th day of September, 1973.

Notary Public in and for the State of
 Washington, residing at Vancouver, B.C.