

REAL ESTATE MORTGAGE

(Leasehold Interest)



This mortgage, made this 29th day of December, 1975, by the mortgagors, PHIL P. KOSKITA and ANNE E. KOSKITA, husband and wife, 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 certain lease, Lease No. 58285, bearing date of August 11, 1970, as amended by document dated February 13, 1972, as authorized under RCW 79.01.050, demise and lease for purposes stated in the bid for development and use under Water Front Recreation Inc., a Washington Corporation, all and singular the premises hereinafter described, as located in the County of Skamania, State of Washington, to wit:

Government Lots 4 and 5, Section 26, Township 1 North, Range 6 East of the Willamette Meridian, being an area of 18.66 acres, more or less. Subject, however, to a easement for right of way for a 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, 1975, subject to a renewal as provided by law, and Water Front Recreation, Inc., a Washington Corporation, is to pay to the State of Washington such sums at such times as a phase development, their accordance with the terms of said lease No. 58285 and in the office of the Department of Natural Resources, State of Washington, and as recorded under title No. 73224, records of Skamania County, Washington, and

WITNESSETH, 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 primarily for agricultural or farming purposes, and

WHEREAS, Water Front Recreation, Inc. has submitted, and approved, and recorded in the office of the Auditor of Skamania County, Washington, a plat and survey of the above described property entitled "Water Front Recreation, Inc. dated May 14, 1975" on file and of record under Auditor's File No. 73675, volume 306, book 7, of Miscellaneous Records of Skamania County, Washington, together with appropriate document as established in writing to said plat for the lot and use of the area shown as roadway on the plat, PHIL P. KOSKITA and ANNE E. KOSKITA, husband and wife, are 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 being loaned to it and borrowed by the mortgagee to construct a single family house on lot 2 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 Skamania County, Washington, and within the metes and bounds of the legal description in Lease No. 58285 heretofore described.

eviction 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 5.10 of the master lease referred to below is invoked for the protection of the mortgage, 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 like 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 is made, the purchaser or grantee still, 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 by any other covenants or conditions of this mortgage, or the note evidencing the debt, or any part of the covenants, conditions and terms of a lease hereinafter made with Water Front Development, Inc., identified as the master lease above, then, at the election of the mortgagee, the debt secured hereby shall become immediately due and payable, and the mortgagee may foreclose and any of its agents may take any action by the mortgagor with Water Front Development, Inc., as the beneficiary of a lending agency, in addition to the remedy in the master lease from the State of Washington, Water Front Development, Inc., for the benefit of mortgagee, as herein incorporated specifically, and the mortgagee agrees to waive all such rights in mortgagee herein, referring to, but not limited to, Section 5.10 and Section 5.09, as amended by Chapter 10, Laws of 1972, of said State which state as follows:

"5.09" Invalidation of lease. If the lease becomes insolvent or bankrupt or the lender is appointed receiver of the State may, at its option, the State may declare the lease has become collateral with the State's assets. If the lease is found to be a loan to the lender, the State may request the lender to sign the lease to the lending agency who can then either operate the leased site or, with the approval of the State, sell the lease.

"5.09" Status of sub-leases. In the case of this lease, by cancellation or otherwise, prior to the lease termination date, the State shall not serve to cancel approved sub-leases, nor derogate from the rights of the sub-lessees 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. There is 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."

The 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 for this mortgage, 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 mortgagee or any of them.

At election of mortgagee, if it so desires, it may cause 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 mortgage, and in case of a foreclosure action, they agree to pay to the principal and interest then due, and to all costs and expenses as are above mentioned, and they agree to pay any and all other reasonable expenses of the mortgagee in connection with this mortgage.

The mortgagor further agrees that they shall be bound by the mortgagee and secured party to execute and record for improvements of the premises.

DATED this 1st day of January 1921

76839

STATE OF WASHINGTON

County of Clark

On this day personally appeared to me the undersigned, ILLA A. KOSKINEN and CAROL E. KOSKINEN, husband and wife, to me known to be the individuals described in and who executed and within and foregoing the event 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 1st day of January 1921.

Notary Public in and for the State of Washington, residing at