

REAL ESTATE MORTGAGE

(Leasehold Interest)

This mortgage, made this 14 day of June, 1975, by the mortgagors FRANK HURLBUTT and REBECCA HURLBUTT, husband and wife, and LOUIS J. FASANO and MARGARET P. FASANO, husband and wife to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF VANCOUVER, a corporation, the mortgagee;

WHEREAS, the State of Washington, Department of Natural Resources, did by a certain lease, Lease No. 58985, bearing date of August 11, 1970, as amended by document dated February 10, 1972, as authorized under RCW 79.01.095, 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 6 East of the Willamette Meridian, having an area of 83.40 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. 58985 held in the office of the Department of Natural Resources, State of Washington, and as recorded under Auditor's File No. 72521, 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, 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, 1971, on file and of record under Auditor's File No. 73635 at page 306 in Book "J" of Miscellaneous Records of Skamania County, Washington, together with a certain deed as established in writing on said plat for the joint use of the area shown as roadways on the plat, Frank Hurlbutt and Rebecca Hurlbutt, husband and wife, and Louis J. Fasano and Margaret P. Fasano, 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 by it and borrowed by the mortgagor to construct a single family home on Lot 5 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. 58985 heretofore described.



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 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 existing 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 encumbrances; that this mortgage is for the benefit of the mortgagee for its proper use and benefit for and during all the term, and shall be subject to all laws, ordinances, rules, regulations, and covenants, 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 mortgage; that the State of Washington has consented to the mortgagor entering into this transaction; that they 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 they will pay promptly all premiums on such insurance; and that they will pay promptly before delinquency any and all assessments of taxes, special assessments and other governmental levies, together with all rentals and other charges provided for thereunder the cabin site lease hereto attached, which may hereafter be levied against or become a lien upon this mortgaged property, that they will keep the buildings 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 any and all electric wiring, furnace and heating systems, including 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 purchaser 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 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 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 promises in the master lease from the State of Washington to Water Front Recreation, Inc. for the benefit of mortgages 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" Assignment of Lease. 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 a 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-leases. 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 governmental levies and any insurance, 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 represents that if they 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 4th day of June, 19 75

By James J. Fagan

By Frank Hurlbutt

By Margaret P. Fagan

By Rebecca Hurlbutt

STATE OF WASHINGTON)

SS.

County of WASHINGTON)

On this day personally appeared before me Frank Hurlbutt and Rebecca Hurlbutt, husband and wife, and Louis J. Casano and Margaret P. Casano, husband and wife 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 4th day of June, 19 75.

Frank H. Hurlbutt
Notary Public in and for the State of
Washington, residing in 2905 SE Pine
My commission expires 9/16/79

Portman, Or
97214

