

SK11161

## MORTGAGE OF LEASEHOLD INTEREST

This mortgage made on the 29 day of September, 1978, between VERNE A. NORTHROP and GENEVIEVE M. NORTHROP, husband and wife, of 8704 N.E. 72nd Avenue, Vancouver, County of Clark, State of Washington, herein referred to as mortgagor, and JOHN F. SHEPARD and TONETTE P. SHEPARD, husband and wife, of Rt. 1, Box 88B, Yacolt, County of Clark, State of Washington, herein referred to as mortgagee, witnesseth:

Whereas, mortgagor is the assignee under a certain assignment of lease, dated the 1st day of July, 1978, under which there was assigned to mortgagor, all of the right, title and interest of mortgagee in the premises hereinafter mentioned and described, together with the appurtenances and improvements existing thereon; to have and to hold the same until mortgagor, as lessee, and to his executors, administrators, and assigns, until October 31, 2025, or until subsequent assignment at option of mortgagor, said assignment being attached hereto as Exhibit "A", and incorporated herein by reference.

Whereas, mortgagor is justly indebted to mortgagee in the sum of Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) lawful money of the United States, evidenced by a note dated the 29 day of September, 1978, conditioned on the payment of such sum as provided for in said note, with interest computed at the rate of eight and one-half percent (8 1/2%) per annum, as provided therein.

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It is expressly agreed that the whole of such principal sum shall become due at the option of mortgagee after default of the payment of any installment of interest or principal, or any taxes, assessments, or rents, as hereinafter provided.

It is further agreed that mortgagor, as additional security for the payment of such sum of money mentioned in the note, a copy of which is attached hereto as Exhibit "D", and interest thereon, and also for and in consideration of the sum of One and No/100 Dollar (\$1.00) paid by mortgagee, the receipt of which is acknowledged, does grant and release, assign, transfer, and set over unto mortgagee, his heirs and assigns forever, all of the following described real property:

Cabin Site No. 130 of the North Woods as shown in red on Exhibit "A" attached hereto (all distances being approximations), being part of Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East, W.M., Skamania County, Washington,

SUBJECT, however, to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

together with the appurtenances existing thereon at the time of the execution of this mortgage and all future improvements and appurtenances constructed thereon during the life of this mortgage, and all the estate and right of mortgagor in and to the premises under the above-mentioned lease.

To have and to hold the lease and renewals, and the estate of lessee thereunder, unto mortgagee, his heirs and assigns, for and during the remainder of the unexpired term thereunder, and in any renewals thereof; subject, however,

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to the rents, covenants, conditions and provisions in the lease.

Provided, that if mortgagor shall pay to mortgagee the sum of money mentioned in the note, a copy of which is attached hereto as Exhibit "B", and the interest thereon, at the time or times and in the manner mentioned in such note, then these presents and the estate hereby granted shall cease, determine, and be void.

Mortgagor hereby covenants with mortgagee as follows:

1. Mortgagor will pay the indebtedness as provided in said note; and if default shall be made in the payment of any part thereof, mortgagee shall have the power to sell the leasehold interest hereinabove described according to law.

2. Mortgagor will keep the buildings on the leased premises insured against loss by fire, for the benefit of mortgagee, in a sum sufficient to cover the outstanding balance on the note, and shall provide mortgagee with a Certificate of Insurance showing mortgagee as an additional insured thereon and that mortgagee is entitled to notice of cancellation.

3. Mortgagor will pay the rents and other charges provided for and made payable in the lease within ten (10) days after such rent or charges are payable.

4. Mortgagor will at all times fully perform and comply with all agreements, covenants, terms and conditions imposed on or assumed by him as lessee under the lease, and if mortgagor shall fail to do so, mortgagee may, at its option, take any action mortgagee deems necessary or desirable

to prevent or to cure any default by mortgagor in the performance of or compliance of any of mortgagor's covenants or obligations under the lease. Upon receipt by mortgagee from the lessor under the lease of any written notice of default by the lessee thereunder, mortgagee may rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof is questioned or denied by mortgagor or by any party on behalf of mortgagor. Mortgagor hereby expressly grants to mortgagee, and agrees that mortgagee shall have, the absolute and immediate right to enter in and on the encumbered premises or any part thereof to such extent and as often as mortgagee, in its sole discretion, deems necessary or desirable in order to prevent or to cure any such default by mortgagor. Mortgagee may pay and expend such sums of money as mortgagee in its sole discretion deems necessary for any such purpose, and mortgagor hereby agrees to pay to mortgagee, immediately and without demand, all such sums so paid on behalf of mortgagor and expended by mortgagee, together with interest thereon from the date of each such payment at the rate of twelve percent (12%) per annum. All sums so paid and expended by mortgagee and the interest thereon shall be added to and be secured by the lien of this mortgage.

5. Mortgagor will not surrender his leasehold interest and interest hereinabove described, nor terminate or cancel the lease, and will not without the express written consent of mortgagee sell, transfer, encumber, modify, change,

supplement, alter or amend the lease either orally or in writing, and any such termination, cancellation, modification, change, supplement, alteration, or amendment of the lease without the prior written consent thereto by mortgagee shall be void and of no force and effect. As further security to mortgagee, mortgagor does hereby deposit with mortgagee his lessee's original of the lease and all amendments thereto or certified copy thereof, to be retained by mortgagee until all indebtedness secured hereby is fully paid.

7. No release or forbearance of any of mortgagor's obligations under the lease, pursuant to the lease or otherwise, shall release mortgagor from any of his obligations hereunder, including his obligations with respect to payment of rent as provided for in the lease and the performance of all of the terms, provisions, covenants conditions, and agreements contained in the lease, to be kept, performed, and complied with by the lessee therein.

8. Unless mortgagee shall otherwise expressly consent in writing, the fee title to the property demised by the lease and the leasehold estate shall not merge, but shall always remain separate and distinct, notwithstanding the union of such estates either in the lessor or in the lessee, or in a third party by purchase or otherwise.

It is hereby expressly agreed that the whole of the principal sum and all accrued interest thereon shall become due at the option of the mortgagee after default in the

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payment of any installment or principal or interest, for thirty (30) days, or after default of the payment of any rent or other charge made payable by the lease for thirty (30) days, or after default in the payment of any tax or assessment for sixty (60) days after notice and demand by the holder hereof.

The word "mortgagor" shall be construed as if it is read "mortgagors", the word "mortgagee" shall be construed as if it read "mortgagees", and the masculine gender shall include the feminine or neuter, whenever the sense of this mortgage so requires.

Any decree of foreclosure of this mortgage shall include all costs, expenses, and fees, including reasonable attorneys fees and costs of title search. In case such foreclosure should be settled before judgment is recorded therein, such costs, expenses and fees shall nevertheless be paid by mortgagor.

In witness whereof, mortgagor has executed this mortgage at MITCHELSON & POYFAIR, Attorneys at Law, 10507 E. Mill Plain Boulevard, Vancouver, Washington, the day and year first above written.

Verne A. Northrop  
VERNE A. NORTHROP

Genevieve M. Northrop  
GENEVIEVE M. NORTHROP

STATE OF WASHINGTON)  
COUNTY OF CLARK )  
SS

On this day personally appeared before me VERNE A. NORTHROP and GENEVIEVE M. NORTHROP, husband and wife, to me known to be the individuals who executed the foregoing instrument and acknowledge that they did the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_

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