

119745

MORTGAGE OF LEASEHOLD INTEREST

BOOK 143 PAGE 888

THIS MORTGAGE made on the 4th day of May, 1994, between GORDON CHRIS BAYHA, 1651 Larch, Lake Oswego, OR 97034, herein referred to as "mortgagor", and JOHN LANCASTER and FRAN LANCASTER, herein referred to as "mortgagees",

WITNESSETH

WHEREAS, mortgagor is the assignee under a certain assignment of lease, dated on the 4th day of May, 1994, 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 unto mortgagor, as lessee, and to his executors, administrators, and assigns, until expiration of the lease or subsequent assignment with mortgagees permission, the present assignment being attached hereto as Exhibit "A" and incorporated herein by reference thereto.

WHEREAS, mortgagor is justly indebted to mortgagee in the sum of TWENTY-THOUSAND AND NO/100 DOLLARS (\$20,000.00) lawful money of the United States, evidence by a note dated the 4th day of May, 1994, conditioned on the payment of such sum as provided for in said note, with interest computed at the rate of ten (10%) percent per annum, as provided therein.

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 "B", and interest thereon, and also for and in consideration of the sum of One 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 mortgagor's right, title and interest to the following described real property.

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16676

REAL ESTATE EXCISE TAX

JUN 17 1994

PAID 684.80

SKAMANIA COUNTY TREASURER

Glenda J. Kimmel, Skamania County Assessor
By: JD Parcel # 96-000040
6-17-94

Cabin Site Number 40 of the NORTH WOODS as shown in red on Exhibit "C" attached hereto (all distances being approximations), being part of Government Lots 4 and 8, Section 28, Township 7 North, Range 6 East of Willamette Meridian, 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 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 for collateral purposes only.

Mortgagees shall have the right 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, to the rents, covenants, conditions and provisions of 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 interest thereon, at the time or times and in the manner mentioned in this note, then these mortgage shall be deemed satisfied and the estate hereby granted shall terminate and be void.

Mortgagor hereby covenants with mortgagee as follows:

1. Mortgagor will pay the indebtedness as provided in such note; and if default shall be made in the payment of any part thereof and continue for a period of 60 days. Mortgagee shall have the power to sell the leasehold interest hereinabove described according to law.
2. Mortgagor will keep the lease premises insured against loss by fire and other casualty in a sum acceptable to Waterfront Recreation, Inc. and Mortgagee for the benefit of both and shall name the Department of Natural Resources as an additional insured in a sum sufficient to satisfy all three parties, Waterfront Recreation's lease and the master lease with the State of Washington and in no event shall the amount of insurance ever be less than the outstanding balance on the note and

mortgagor shall provide mortgagee with a certificate of insurance showing mortgagee as an additional insured together with Waterfront Recreation, Inc. and Department of Natural Resources and shall provide that all three parties be given a notice of cancellation should the policy for any reason be cancelled or lapse.

3. Mortgagor will accept the property in its present condition and acknowledges that Seller, his agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Mortgagor agrees to maintain the property in such condition as complies with all applicable laws.

4. 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.

5. 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 (12%) percent 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.

6. Mortgagor will not surrender the subordinate leasehold or alienate interest hereinabove described, nor terminate or cancel the lease, and will not without the express written consent of mortgagee and Waterfront Recreation, Inc. 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 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 payment of any installment or principal or interest, for sixty (60) days, or after default of the payment of any rent or other charge made payable by the lease for sixty (60) 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 attorney 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 the law office of ROBERT D. MITCHELSON, 312 SE Stonemill Drive, Suite 135, Vancouver, Washington 98684, the day and year first above written.

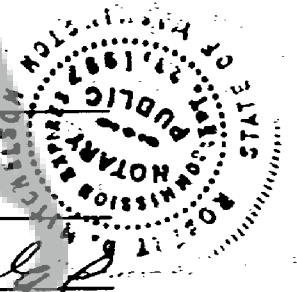
G. S. Bayha
GORDON CHRIS BAYHA

STATE OF WASHINGTON)
County of Clark) ss

On this day personally appeared before me GORDON CHRIS BAYHA, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of May, 1994.

Robert D. Mitchelson
NOTARY PUBLIC in and for the State
of Washington residing at Vancouver
My commission expires: 9/23/97
Identity of Affiant Verified by Gerald Newberry



FILED FOR RECORD
SKAMANIA CO. WASH
BY Robert Mitchelson

JUN 17 3 00 PM '94
G. Olsson
AUDITOR
GARY M. OLSON

AGREEMENT ASSIGNING LEASE
FOR COLLATERAL PURPOSES

May THIS AGREEMENT ASSIGNING LEASE made and entered into this 4th day of May, 1994, between GORDON CHRIS BAYHA, hereinafter called "assignor" and "borrower", and JOHN LANCASTER and FRAN LANCASTER, hereinafter called "assignee" and "Lender".

WITNESSETH

Section 1: Assignment of Lease:

(a) For value received and consideration hereinafter set forth, Assignors grant, transfer and assign to Assignee, Assignors' entire interest as Lessees, in certain lease or real property commonly known as Cabin Site and Cabin 40, and more particularly described as follows:

Cabin Site and Cabin Number 40 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, Willamette Meridian, 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.

AS TO LEASEHOLD improvements on leased land.

(b) The lease being assigned was first entered into between Robert A. Showman as Lessees and Waterfront Recreation, Inc. as Lessor on the 15th day of September, 1994. That lease was later assigned to James and Neomi Gipe, husband and wife on the 12th day of October, 1977 and then was assigned to John Lancaster and Fran Lancaster on the 1st day of November, 1978 and most recently assigned to Gordon Chris Bayha on May 4, 1994.

(c) This Assignment of Lease is for security purposes and shall secure performance by Assignors of the terms and conditions of a promissory note for the payment of Twenty-Thousand and no/100 Dollars (\$20,000.00), according to the terms of the promissory note dated MAY 4, 1994, payable by Assignors to Assignee.

Section 2: Assignors' Covenants: Assignors hereby covenant and warrant that they are the legal owner and holder of the lessees' right, title and interest in and to that certain Lease Agreement described above, and the said Lease Agreement is now unencumbered, valid and in full force and effect in accordance with its terms. Assignors further warrant that they are not in default under any of the terms, conditions or covenants of the lease.

Section 3: Full Performance: Should Assignors pay the promissory note hereby secured according to its terms and conditions, then this Assignment of Lease shall be void and of no effect.

ASSIGNMENT OF LEASE AND AGREEMENT FOR COLLATERAL PURPOSES - 1



Section 4: Default: In the event of the Assignors default herein, Assignee, may, at their option, without notice or regard to the adequacy of any others security personally or by its agents, take possession of the above described premises and hold, lease and manage the same on terms and for such period of time as provided in said Lease Agreement. The exercise or non-exercise by Assignees of the option granted in this paragraph shall not be construed a waiver of any default by Assignors under the note.

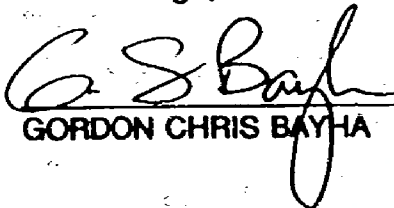
Section 5: Remedies of Assignee Not Exclusive: Nothing contained in the Assignment of Lease, nor any act done or omitted by Assignees pursuant to the terms of this Assignment shall be deemed a waiver by the Assignees of any of there rights or remedies under the afore described note, and this Assignment is executed without prejudice to any right or remedies possessed by the Assignees under the terms of any other instruments between the parties hereto. The right of Assignees to collect the principal, interest and other indebtedness, and to enforce any other security may be exercised by Assignees prior to or subsequent to any action taken under the Assignment.

Section 6: Priority of Lien: It is understood and agreed that nothing in the agreement shall be construed to subordinate the rights of Waterfront, Inc and/or NORTH WOODS HOMEOWNERS ASSOCIATION and this assignment constitutes a junior lien in regard to the rights of those parties.

Section 7: Effect of Assignment: This Assignment, together with the agreements, covenants and warranties contained herein shall inure to the benefit of Assignees and any subsequent holders of the hereinbefore described promissory note.

IN WITNESS THEREOF, the parties hereto have executed this Agreement at Vancouver, Washington, on the day and year first above written.

1651 Larch
Lake Oswego, OR 97034


GORDON CHRIS BAYHA

"Assignor"

STATE OF WASHINGTON)

County of Clark)

2022 SE Larson Ct
Hillsboro, OR 97123


JOHN LANCASTER

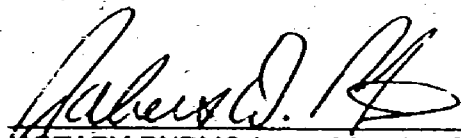

FRAN LANCASTER
"Assignees"

On this day personally appeared before me GORDON CHRIS BAYHA, to me known to be the individual described in and who executed the within and foregoing instrument, and

ASSIGNMENT OF LEASE AND AGREEMENT FOR COLLATERAL PURPOSES - 2

acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of May, 1994.



NOTARY PUBLIC in and for the State
of Washington residing at Vancouver

My commission expires: 9/23/97

Identity of Affiant Verified by

Personal Interview

STATE OF WASHINGTON)

.SS

County of Clark)

On this day personally appeared before me JOHN LANCASTER and FRAN LANCASTER, husband and wife, to me known to be the individual 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 May, 1994.



NOTARY PUBLIC in and for the State
of Washington residing at Vancouver

My commission expires: 9/23/97

Identity of Affiant Verified by

Personal Interview

INSTALLMENT NOTE

\$20,000.00

Date: 5-4-94

FOR VALUE RECEIVED, I promise to pay to the order of JOHN LANCASTER and FRAN LANCASTER, husband and wife, the sum of Twenty-Thousand and no/100 Dollars (\$20,000.00), in lawful money of the United States of America with interest thereon at the rate of ten percent (10%) per annum, from date until paid, payable in installments of not less than Two-Hundred-Sixty-Four and 31/100 (\$264.31) per month or more from which sum shall first be deducted interest due to the date of each installment, and the balance of each installment shall then be applied to the principal due and owing at the time of each monthly payment. The first payment will be due on May 1, 1994, and each successive payment shall be made not later than the 10th day of each month thereafter, until the entire balance is paid in full. If any of the installments provided for herein are not so paid, within 60 days of their due date the whole sum of both principal and interest will become immediately due and collectable at the option of the holder hereof. In case suit or action is instituted to collect this note or any portion, I promise to pay such additional sum as the Court may judge reasonable as attorney's fees in said suit or action.

In the event any payment is not made within the first ten days of any month, a late fee of \$13.00 shall be assessed for every month in which a payment is late.

This note is made, executed under and is to be construed by the laws of the State of Washington, is secured by a leasehold mortgage, and has been executed in conjunction with an assignment of lease providing for termination of promisor's leasehold interest in real estate, in the event of the failure of promisor to make payments called for herein.

DATED this 4TH day of May, 1994.

G. S. Bayha
GORDON CHRIS BAYHA

INSTALLMENT NOTE

EXHIBIT

B

10



THE NORTHWOODS

CONVEYANCE OF 1/2 AC. OF LAND
SAC OF THE N.W. 1/4
SEAMAN COUNTY, WASHINGTON



THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR
UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS
OF THE SURVEY RECORDING ACT AT THE REQUEST OF
WATERFRONT RECREATION, INC. IN MARCH 1923

6774
T. W. SURVEYOR
CERT. NO. 1591

REMARKS: BY JAMES J. JENSEN
CONVEYANCE OF 1/2 AC. OF LAND
SAC OF THE N.W. 1/4
SEAMAN COUNTY, WASHINGTON
THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR
UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS
OF THE SURVEY RECORDING ACT AT THE REQUEST OF
WATERFRONT RECREATION, INC. IN MARCH 1923

1923

EXHIBIT

C