

FILED FOR RECORD
SKAN... YASH
BY Robert D. Mitchelson

MORTGAGE OF LEASEHOLD INTEREST

AUG 11 2 56 PM '94
P. Johnson

THIS MORTGAGE made on the 44 day of August, 1994, between ROBERT D. MITCHELSON, herein referred to as "mortgagor", and RICHARD AND MARYANN ANTHONY, herein referred to as "mortgagees",

120250

WITNESSETH

BOOK 145 PAGE 125

WHEREAS, mortgagor is the assignee under a certain assignment of lease, dated on the 2d day of July, 1972 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 2050, 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 SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$17,500.00) lawful money of the United States, evidenced by a note dated the 44 day of August, 1994, conditioned on the payment of such sum as provided for in said note, with interest 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

MORTGAGE OF LEASEHOLD INTEREST - 1

08-000-76

Registered	✓
Indexed	✓
Filed	✓
Noted	✓
Filed	✓
Noted	✓

thereon, 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.

Cabin Site Number 80 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 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.

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, 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 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 such 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.

MORTGAGE OF LEASEHOLD INTEREST - 2

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.

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 ten (10%) 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.

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.

6. 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.

7. 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 ten (10) 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 thirty (30) 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.

BOOK 145 PAGE 129

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.

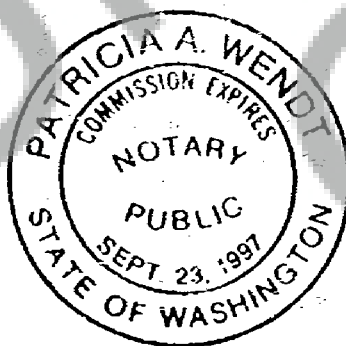
IN WITNESS WHEREOF, mortgagor has executed this mortgage at the law office of ROBERT D. MITCHELSON, 312 SE Stonemill Dr, Suite 135, Vancouver, Washington 98684, the day and year first above written.



ROBERT D. MITCHELSON

STATE OF WASHINGTON)
).ss
County of Clark)

On this day personally appeared before me ROBERT D. MITCHELSON, 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 August, 1994.




NOTARY PUBLIC in and for the State
of Washington residing at Vancouver
My commission expires: 9-23-94
Identity of Affiant Verified by
Personal Knowledge

COPY

BOOK 145 PAGE 130

PROMISSORY NOTE

\$ 17,500.00

August 4th, 1994

For value received, ROBERT D. MITCHELSON promises to pay to RICHARD ANTHONY and MARYANN ANTHONY or order, at 23301 NE 240th Ave, Battle Ground, Washington 98604 the sum of SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS, with interest from August 4, on any unpaid principal at the rate of ten (10%) percent per annum; interest payable in monthly installments of \$146.00 per month on the 4th day of each succeeding month, beginning on the 4th day of August, 1994, and continuing for one year from date of this note. Principal due in full one year from date of this note.

Should default be made in payment of any installment when due, the whole sum of principal and interest shall become immediately due at the option of the holder of this note. Principal and interest payable in lawful money of the United States. If action be instituted on this note, I promise to pay such sum as the Court may fix as attorney's fees. This note is secured by an Assignment of Lease for Collateral Purposes of even date.



ROBERT D. MITCHELSON

**ASSIGNMENT OF LEASE AND AGREEMENT
FOR COLLATERAL PURPOSES**

THIS ASSIGNMENT OF LEASE made and entered into this 44 day of August, 1994, between ROBERT D. MITCHELSON, a single man, hereinafter called "assignor" and "borrower", and RICHARD ANTHONY and MARYANN ANTHONY, hereinafter called "assignees" and "Lender".

WITNESSETH

Section 1: Assignment of Lease:

(a) For value received and consideration hereinafter set forth, Assignor grants, transfers and assigns to Assignees, Assignor's entire interest as Lessee, in the certain lease or real property commonly known as cabin site #80, and more particularly described as follows:

Cabin Site Number #80 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.

(b) The lease entered into between ROBERT D. MITCHELSON, as Lessor and Assignor, is dated July 21, 1972, and by its terms is to continue in full force and effect for a period of until 2050 (x) years, expiring on Aug. 1, 10-2050.

(c) This Assignment of Lease is for security purposes and shall secure performance by Assignor of the payment of SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS, (\$17,500.00) according to the terms of a promissory note dated August 44, 1994, payable by Assignor to Assignees.

Section 2: Assignor's Covenants: Assignor hereby covenants and warrants that he is the legal owner and holder of the lessees' right, title and interest in and to that certain Lease Agreement described above. Assignor further warrants that he is not in default under any of the terms, conditions or covenants of the lease.

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

Section 4: Default: In the event of Assignor defaults herein, Assignees, 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 Assignor under the note.

Section 5: Remedies of Assignee Not Exclusive: Nothing contained in the Assignment of Lease, nor any act done or omitted by Assignee pursuant to the terms of this Assignment shall be deemed a waiver by the Assignee of any of the rights or remedies under the 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. 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.

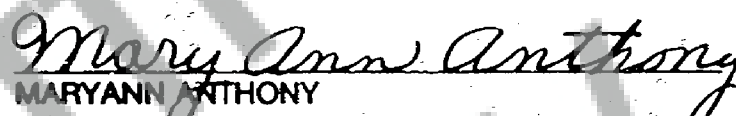
Section 6: Effect of Assignment: This Assignment, together with the agreements, covenants and warranties contained herein shall inure to the benefit of Assignee and any subsequent holders of the hereinbefore described promissory note.

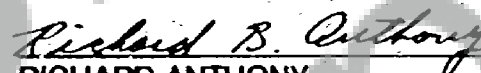
IN WITNESS THEREOF, the parties hereto have executed this Agreement at Vancouver, Washington, on the day and year first above written.

312 SE Stonemill Dr.
Vancouver, WA 98684

23301 NE 240th Ave
Battle Ground, WA 98604


ROBERT D. MITCHELSON
"Assignor"


MARYANN ANTHONY


RICHARD ANTHONY
"Assignees"

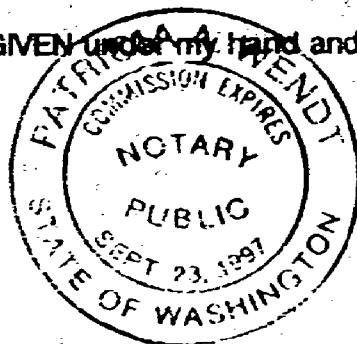
STATE OF WASHINGTON)

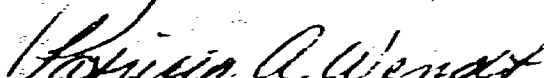
:SS

County of Clark)

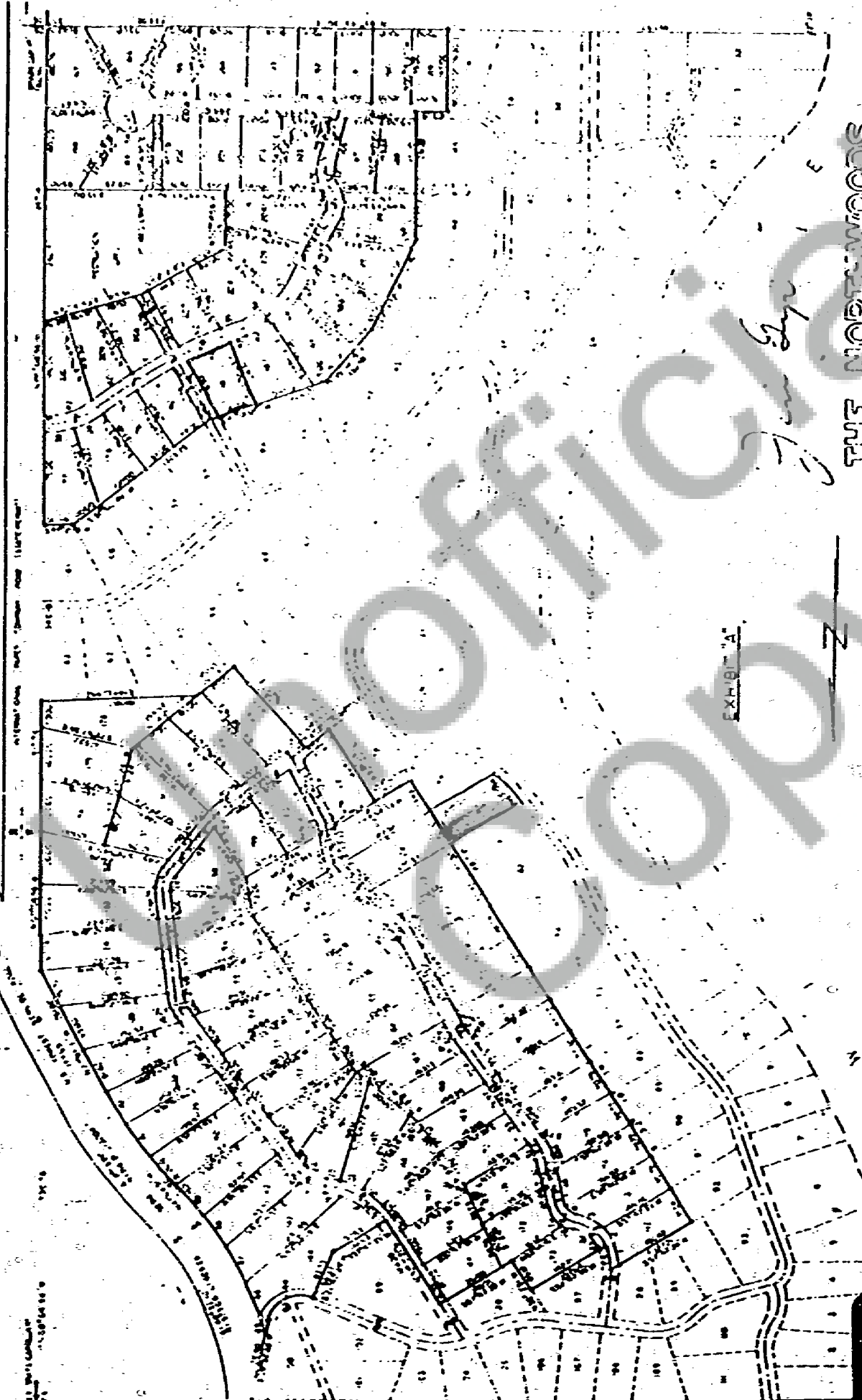
On this day personally appeared before me ROBERT D. MITCHELSON, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of August, 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 knowledge

10



THE NORTHWOODS

GOVERNMENT LOTS 400
SEC 26, T17N, R12E, 400
BLANCKENHORN COUNTY, MISSOURI
OCTOBER 1973

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 1973

67744
TOWN & SURVEYOR
CERT. NO. 7591

EXHIBIT

A