

After recording, please return to:

Philip G. Marshall  
English, Lane, Marshall, et. al.  
12204 SE Mill Plain Blvd., Suite 200  
Vancouver, Washington 98684

SCR 26967

Title of the Document:	Mortgage
Grantor:	Anton E. Check and Anne M. Check, husband and wife
Grantee:	Winnifred Scherpf, a single person
Legal Description:	Section 6, Township 1 North, Range 5 East, W.M.
Reference Numbers:	Not Applicable
Assessor Parcel I.D. Number:	<del>010506-000</del> 01-05-06-0-0-0300-00

### MORTGAGE

The Mortgagor, ANTON E. CHECK and ANNE M. CHECK, husband and wife, mortgages to WINNIFRED SCHERPF, a single person, Mortgagee, to secure the payment of Three Hundred One Thousand Four Hundred Dollars (\$301,400.00), and interest, according to the terms of a Promissory Note of April 21, 2004, the following described real estate situated in County of Skamania, State of Washington ("Property"):

See Exhibit "A" attached hereto and incorporated by reference.

Mortgagor further agrees, acknowledges and covenants as follows:

1. To keep the Property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon, to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property. Further, no timber will be cut, harvested or removed from the Property without Mortgagee's prior written consent and in accordance to a Timber Management Program.

2. To pay before delinquent all real and personal property taxes, all general and special assessments and all other charges of whatsoever kind or nature levied or assessed by any lawful authority upon or against the Property or the use thereof to the extent the same or any

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installments thereof that are attributable to the period following the date of this Mortgage. If Mortgagor fails to pay real property taxes or assessments and such failure is not rectified within fifteen (15) days following Mortgagee's written demand to do so and if such failure occurs two (2) or more times during the term of this Mortgage, the Mortgagee may, for the remaining term of this Mortgage, require the Mortgagor to deposit with each installment payment on the Promissory Note an amount reasonably estimated by the Mortgagee to be necessary to discharge the real property taxes and assessments next due, said estimates to be adjusted by the Mortgagee to reflect the actual amount of such liabilities each time the Property is re-assessed and a copy of such assessment is given to the Mortgagee. The amount so paid which have not been applied against such liability shall be returned to the Mortgagor with the delivery of the reconveyance of title. The Mortgagee shall not be liable for interest on said deposits, if any.

3. Mortgagor hereby covenants and agrees to indemnify and hold Mortgagee harmless from any losses, damages, costs, claims and liabilities, including attorney's fees, caused by any negligent, reckless or intentional act of or negligent or reckless failure to act by the Mortgagor, or any of its agents, servants, employees, independent contractors, invitees or licensees on, or about, or with respect to the Property and for any breach of this Mortgage by the Mortgagor or any such persons, and this covenant of indemnification shall survive the delivery of the reconveyance to the Mortgagor.

4. To defend any action or proceedings purporting to affect the security hereof or the rights or powers of the Mortgagee and to pay all costs and expenses, including costs of title search and attorney's fees in a reasonable amount, in any such action or proceedings or in any suite brought by the Mortgagee to foreclose this Mortgage.

5. To pay all costs, fees and expenses in connection with this Mortgage, including expenses of the Mortgagee incurred in enforcing the obligation secured hereby including reasonable attorney's fees except as other than that referenced in paragraph 14 below.

6. Should the Mortgagor fail to pay when due any taxes, assessments, insurance premiums or other charges against the Property herein above described, Mortgagee may pay the same, in the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become part of the debt secured by this Mortgage.

7. If the Property or any part thereof is condemned or taken by power of eminent domain by any public or quasi public authority, the Mortgagor or the Mortgagee, or both, may appear and defend or prosecute in any such proceedings. All compensation or awards received from the condemning authority by either the Mortgagor or the Mortgagee shall be applied first to the payment of expenses of litigation, next to the acquisition and installation costs of any replacements or restorations of the condemned Property requested by the Mortgagor in writing not less than fifteen (15) days following the date of possession is required to be surrendered by the condemning authority, next to the reduction of the unpaid balance of the Note in the inverse order of its maturity, next to any other sums due to the Mortgagee (including accrued and unpaid

interest and reimbursable advances or expenses), and the surplus, if any, shall be paid to the Mortgagor.

All of the replacements and restorations shall have the same purpose and function as the condemned Property and, except as otherwise consented to by the Mortgagee in writing and except to the extent necessitated by the condemnation or then applicable law, none of the replacements or restorations may be materially different from the condemned Property. No total or partial taking of the Property by condemnation shall constitute a failure of consideration or provide a basis for rescission of this Mortgage or associated Note.

8. By accepting payment of any sum secured hereby after its due date, Mortgagee does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

9. Upon default by Mortgagor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Mortgagee. Time is of the essence of this Mortgage and the Note secured hereby.

10. Mortgagee shall have rights to enter the Property for purposes of inspection upon the giving of reasonable notice to the Mortgagor.

11. This Mortgage applies to and inures to the benefit of and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Mortgagee shall mean the holder and owner of the Note secured hereby, whether or not named as Mortgagee herein.

12. Upon acceleration as provided herein, or abandonment of the Property, Mortgagee, in person, by agent or judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect rents of the Property, including any past due. All rents collected by Mortgagee or the receiver shall be applied to the payment of costs, management of the Property and collection of rents, including, but not limited to, receiver's fees, premium on receiver's bonds and reasonable attorney's fees, and then to sums secured by this Mortgage.

13. Mortgagor shall not sell or assign Property or any of the rights of the Property including, but not limited to, mineral or water rights without Mortgagee's prior consent, which consent will not be unreasonably withheld.

14. All payments due hereunder shall be paid into a true escrow account with the Mortgagor being responsible for one half of the costs of such account and the Mortgagee being responsible for one half of such account.

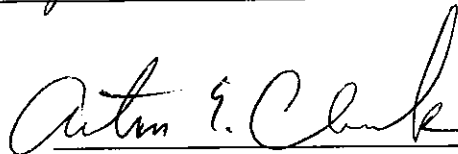
15. Mortgagor shall keep the Property in tax deferred farm/agricultural land use of which the Property is currently in. Mortgagor shall be responsible for any taxes, penalties and charges if the Property is removed from its current tax deferred use.

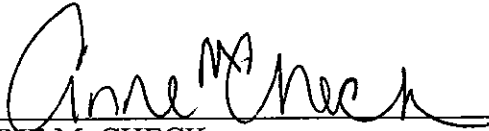
16. Mortgagor shall pay for the cost of all electric, power, gas, sewer, water, telephone, cable television, refuse disposal service and any and all other utilities furnished to or used or consumed in, on or about the Property by the Mortgagor or by any person following the date of this Mortgage, and Mortgagor shall contract for the same solely in its own name.

17. Mortgagor hereby accepts the Property in the condition existing on the date of this Mortgage and confirms that neither the Mortgagee nor any agent or representative of the Mortgagee has given or made any warranty or representation whatsoever concerning the physical condition of the Property for the uses or purposes to which the same may now or hereafter be placed. The Mortgagor has reviewed and accepted the survey dated August, 2002, which indicates that the fence lines on the Property are not on the surveyed property line. Mortgagor accepts the Property and acknowledges that the fence lines may not be on the surveyed property lines. Mortgagor further agrees not to move, or allow any of the fences to be moved, changed or altered during the term of this Mortgage.

18. Mortgagor agrees that the Property is to be used principally for agricultural or farming purposes as well as residential and the Mortgagor shall continuously pursue good and prudent farming operations upon the Property in accordance with the practices of good husbandry, soil conservation, tree and plant pruning, harvesting in the customary manner in which agricultural property is properly and productively farmed and managed in the county in which the property is situated. The Mortgagor shall take precautions as necessary to prevent undue depletion of the soil from erosion by wind or water and shall use reasonable efforts to keep the Property free from plants, insects and animals which may have a deleterious effect upon the Property, crops or livestock. The Mortgagor will keep the Property properly irrigated and properly employ such herbicides, pesticides and fertilizers as may be reasonably necessary to comply with the provisions of this paragraph and its applicable legal requirements. The Mortgagor shall not remove or destroy any existing, improvements, fences, storage houses or sheds, barns, or except as otherwise permitted by the Mortgagee, any tools, equipment or machinery which may be employed in connection with the agricultural use of the Property without the prior written consent of the Mortgagee and Mortgagor shall make such improvements to the Property as are reasonably necessary to properly irrigate, drain and farm the Property in accordance with the provisions hereof.

Dated this 21st day of April, 2004.

  
ANTON E. CHECK

  
ANNE M. CHECK

Unofficial  
Copy

STATE OF WASHINGTON )

: ss.

County of Clark )

On this day before me personally appeared ANTON E. CHECK and ANNE M. CHECK, to me known to be the individuals described herein, 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.

SUBSCRIBED AND SWORN TO before me this 21st day of April 2004.

Geneva Kay Knutson

Notary Public for Washington

Residing in Woodland

My Commission Expires:

4-8-05

Geneva Kay Knutson

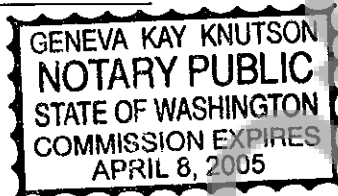




EXHIBIT 'A'

PARCEL I

A Tract of land in Section 6, Township 1 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Beginning at a point on the half section line of said Section 6, which point is 406 feet East from the Northwest Corner of the Southwest Quarter of said Section 6; running thence East along said half section line 1328 feet to a point, which point is in the Northeast Corner of a 65-acre tract heretofore sold by L. P. Hosford and Roscoe R. Morrill to C. F. Peters under contract dated October 20, 1909; thence from this point South and at right angles to last mentioned line for 2280 feet to the Cape Horn County road; thence Easterly following the line of said county road 970 feet, more or less, to where same intersects the half section line of Section 6; thence North along said half section line for 2280 feet, more or less, to the Northeast corner to the Southwest Quarter of said Section 6; thence West along the half section line of said Section 6, a distance of 906 feet, more or less, to the Northeast corner of the said 65-acre tract above referred to, which corner is also the Northwest corner of this tract.

Except that portion conveyed to Skamania County by instrument recorded in Book 66, Page 488 and in Book 66, Page 493.

PARCEL II

A Tract of land in Section 6, Township 1 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Beginning at the Quarter Corner of the South line of said Section 6; thence North 00°30' West 276 feet; thence North 80°58' West 906 feet; thence North 150 feet, more or less, to the center line of the public road known and designated as the Bell Center Road; thence in an Easterly direction following the center line of said road to intersection with the Quarter Section line of said Section 6; thence South 00°30' East to the Point of beginning.

Except that portion conveyed to Skamania County by instrument recorded in Book 66, Page 488 and in Book 66, Page 493.