

MORTGAGE

(BY CORPORATION)

THIS INDENTURE, Made this 11th day of Septemberin the year of our Lord One Thousand Nine Hundred and Sixty SevenBETWEEN Hegewald Timber Co., Inc.a Corporation, duly organized and existing under the laws of the State of Washington, the party of the first part, and C.I.T. Corporation

the part of the second part:

WITNESSETH: That the said party of the first part, for and in consideration of the sum of One MillionTwo Hundred Eighteen Thousand Seventy-Three and 55/100 *****

DOLLARS

lawful money of the United States, to it in hand paid by the said part y of the second part, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell, convey and confirm unto the said party y of the second part, and unto its heirs, executors, administrators and assigns, the following tract, lot, or parcel of land, situate, lying and being in the County of Snohomish State of Washington, and particularly bounded and described as follows, to-wit:

See Schedule "A", Consisting of Three Pages, attached and by this reference made a part hereof.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, THIS CONVEYANCE is intended as a MORTGAGE to secure the payment of One Million TwoHundred Eighteen Thousand Seventy-Three and 55/100 *****

DOLLARS.

lawful money of the United States, together with interest thereon in like lawful money at the rate of that per cent. per year from date until paid, according to the terms and conditions of that certain promissory note bearing the date Sept. 13, 1967 made by Hegewald Timber Co., Inc. payable in 60 instalment payable of \$20,301.22 each commencing October 20, 1967.

to the order of said part y of the second part, and these presents shall be void if such payment be made according to the terms and conditions thereof. But in case default be made in the payment of the principal or interest of said promissory note, or any part thereof, when the same shall become due and payable, according to the terms and conditions thereof, then the said part y of the second part, its executors, administrators or assigns; are hereby empowered to sell the said premises, with all and every of the appurtenances, or any part thereof in the manner prescribed by law, and out of the money arising from such sale to retain the whole of said principal and interest, whether the same shall be then due or not, together with the costs and charges of making such sale, and the overplus, if any there be, shall be paid by the party making such sale, on demand, to the said party of the first part, its successors or assigns. And in any suit or other proceeding that may be had for the recovery of said principal sum and interest, on either said note or this mortgage, it shall and may be lawful for the said part y of the second part, its heirs, executors, administrators or assigns, to include in the judgment that may be recovered, counsel fees and charges of attorneys and counsel employed in such foreclosure suit, the sum of a reasonable attorney's fee, (15% if not prohibited by law) dollars in lawful money (or in case of settlement or payment being made after suit was commenced, and before the final decree has been entered thereon, an attorney's fee of a like sum dollars in lawful money shall be taxed as part of the costs in such suit), as well as all payments that the said part y of the second part, its heirs, executors, administrators or assigns may be obliged to make for or their security by insurance or on account of any taxes, charges, incumbrances or assessments whatsoever on the said premises or any part thereof, together with interest thereon at the rate of 10 1/2 per cent. from the time of said payment.

IN WITNESS WHEREOF The said party of the first part has caused these presents to be executed by its President and Assistant Secretary

thereunto duly authorized, and has caused its corporate seal to be hereunto affixed the day and year first above written.

Signed, Sealed and Delivered in presence of

Hegewald Timber Co., Inc.

By

President.

And

Assistant Secretary.