

MORTGAGE

THIS INDENTURE, made this 26 day of February, 1972, by and between EDWARD W. DONNALLY and ANN DONNALLY, his wife, the Mortgagors, and HANEL LUMBER COMPANY, a corporation, the Mortgagee.

WHEREAS, the Mortgagors are justly indebted to the mortgagee in the sum of \$30,000.00 the same being evidenced by a certain promissory note given for said indebtedness, of which the following is a substantial copy, to-wit:

\$30,000.00 Hood River, Oregon, February 26, 1972

For value received, I promise to pay to the order of HANEL LUMBER COMPANY, THIRTY THOUSAND and No/100ths (\$30,000.00) Dollars with interest thereon at the rate of 6% per annum after maturity only on or before June 1, 1972.

In case suit or action is instituted to collect this note, or any portion thereof, I promise to pay such additional sum as the Court may adjudge reasonable as attorney's fees in said suit or action.

/s/ Edward W. Donnelly"

NOW THEREFORE, for the purpose of securing the payment of the said sum of money named in said note, the mortgagors have sold and conveyed and by these presents do sell and convey unto the said mortgagee, all and singular the real estate situate in the County of Skamania, State of Washington, described as follows, to-wit:

The Southeast quarter of the Southwest quarter of Section 24 and the Northwest quarter of the Northwest quarter of Section 25, all in Township 3 North, Range 9 East of the Willamette Meridian

Together with all and singular the tenements, hereditaments and appurtenances therunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same unto the said mortgagee, its successors and assigns forever.

And the said mortgagors covenant as follows:

That they are lawfully seized of said premises in fee

simple, that the same are and shall be kept, until this mortgage is fully paid and satisfied, free from all incumbrances that shall have precedence of this mortgage;

To pay said note when it shall become due.

To pay, as part of the debt thereby secured, in case of each or any foreclosure, or commencement of foreclosure, such reasonable sum as shall be allowed by the Court as attorney's fees, in addition to the costs allowed by law.

That in case default is made in the payment of said note or in case of the violation or non-performance of any of the above conditions, or of the logging agreement which is attached to and made a part of this mortgage, the mortgagee, its successors or assigns, at any time thereafter and without notice, may elect that the whole sum hereby secured and remaining unpaid, shall be immediately due and payable, and shall have the right, at any time after any such default or breach of covenant, to enforce thereof by foreclosure of this mortgage or otherwise, and shall have such other remedies as the law provides.

WHEREFORE, if said mortgagors, their heirs, executors or administrators shall fully pay all sums of money specified in said note, together with all further sums becoming in any manner hereunder part of the indebtedness hereby secured, and up to that time, shall have well and truly performed all and singular the covenants and agreements hereinabove set forth and enumerated, including the timely full and complete performance of the attached logging contract, then this conveyance shall be void and the premises hereby conveyed shall be released at the cost of said mortgagors; otherwise to remain in full force and effect.

IN TESTIMONY WHEREOF, the said mortgagors hereunto set their hands and seals the day and year first above written.

Edward W. Downey (SEAL)
Ann Downey (SEAL)

STATE OF OREGON

County of CLATSOP ss.

Personally appeared the above named EDWARD W. DONNALLY
and ANN DONNALLY, his wife, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me this
26 day of February, 1972.

Claude E. [Signature]
Notary Public for OregonMy Commission expires: April 22, 1975

LOGGING AGREEMENT

THIS AGREEMENT, made and entered into on February 26th 1972, by and between HANEL LUMBER COMPANY, a corporation, hereinafter called the mill, and EDWARD W. DONNALLY, hereinafter called the owner,

W I T N E S S E T H:

WHEREAS the owner is the owner of a free and unencumbered title to the following described lands lying in Skamania County, Washington, to-wit:

The Southeast quarter of the Southwest quarter of Section 24 and the Northwest quarter of the Northwest quarter of Section 25, all in Township 3 North, Range 9 East of the Willamette Meridian,

and the mill has advanced to the owner the sum of \$30,000.00 to assist the owner in purchasing said land, which said sum is evidenced by a promisory note and secured by a first mortgage on said lands, and whereas the owner intends to employ various loggers to go upon said lands and to cut and remove all the marketable timber thereon pursuant to the terms of this agreement,

IT IS HEREBY AGREED: That the owner will forthwith have his loggers commence to cut and will, before June 1, 1972, unless prevented by natural disaster, strikes or other acts of third parties, remove all of said marketable timber and to deliver the same without exception to the mill under the provisions of the agreement. The mill agrees to receive said logs as follows:

Logs 15" in diameter and larger on the large end (no tops less than 6" in diameter) shall be delivered to the saw mill of Hanel Lumber Company near Mt. Hood, Oregon. The logs 14" in diameter and smaller on the large end (no tops less than 6" in diameter) shall be delivered to the U. S. Plywood Mill (the old Neal Creek Mill) one mile East of Odell in Hood River County, Oregon. The mill will credit the owner and the loggers at the rate of \$100.00 per MBF for the logs which are 15" in diameter and larger at the large end and \$90.00 per MBF for the logs which are 14" or smaller at the large end.

The mill agrees to pay directly to the owner's loggers the total sum of \$42.50 per MBF for all logs delivered pursuant hereto of which \$30.00 shall be paid at the time of delivery, and of which \$5.00 per MBF shall be withheld on all logs until all the marketable timber on said premises have been delivered to the mill and the owner has informed the mill that said loggers have completed the removal and delivery of all said marketable timber and that the loggers contracts are fully and satisfactorily performed.

\$7.50 per MBF of said delivered logs shall also be withheld until the mill has been repaid the \$30,000.00 it has advanced to the owner as mentioned.

The mill agrees to credit the owner, as a payment on said note, all sums provided for herein that are not paid to the owner's loggers as above provided.

All logs shall be delivered under Scribners Decimal C scale and shall be cut as near as possible in 40' lengths. Not over 15% thereof by scale shall be under 32 feet in length.

In order to secure the delivery of all of the marketable timber on said lands to the mill, it is agreed that if any provision hereof for delivery be violated, an injunction may be immediately issued at the petition of the mill and in that connection time is of the essence of this agreement and it is further agreed that in that event the receiver may be immediately appointed at the request of the mill who shall take immediate possession of said premises and any logs which may be severed from the land and said receiver shall continue such logging operation and proceed to the expeditious performance of this agreement.

The owner shall pay all taxes and every other charge and

lien which may be operation of law or otherwise have priority over this agreement or said mortgage. After said promisory note has been paid in full by the delivery of logs as herein provided or otherwise then the monies provided for herein over and above amounts paid to loggers shall be paid directly to the owner/as the logging and delivery of logs proceeds.

If any accounts or charges either provided for herein or implied to be paid by the owner are not so paid, then the mill may make such payment and charge the amount thereof with 6% interest to the account of the owner and the same shall be added to the amount owing on said promisory note.

No logger shall be employed by the owner or recognized as a logger under this contract unless he receives and receipts for a copy of this contract and agrees to operate hereunder and to be governed thereby in every particular thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

HANEL LUMBER COMPANY

By Edmund Donnelly (SEAL)

STATE OF OREGON)

ss.

County of Hood River)

Personally appeared L. Sterling Hanel, who, being duly sworn, did say that he is the President of HANEL LUMBER CO., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me this 21 day of February, 1972.

MARYANN S. HANNERS
NOTARY PUBLIC - OREGON
My Commission expires 11/5/75

Maryann S. Hanners
Notary Public for Oregon
My Commission expires: 11/5/75

County of Benton)

Personally appeared the above named EDWARD W. DONNALLY and acknowledged the foregoing instrument to be his voluntary act and deed. Before me this 21 day of February, 1972.

Claude E. Mariner
Notary Public for Oregon
My Commission expires: Feb 23, 1975

LOGGERS ACCEPTANCE OF CONTRACT

The undersigned loggers hereby accept receipt of a copy of the foregoing contract and they do agree to comply therewith and to be governed thereby in every particular thereof.

DATED _____, 1972 _____ (SEAL)

DATED _____, 1972 _____ (SEAL)

DATED _____, 1972 _____ (SEAL)

