

metal parts of a logging railroad formerly owned by the Greenleaf Lumber Company in Skamania County, State of Washington, were personal property, and said Trust Company entitled to possession thereof; and

Whereas, to avoid the expense and delay of an appeal, the said Timber Company decided to accept as final said decision above mentioned, and to adjust and settle with said Trust Company all other questions arising in said litigation, the terms and conditions of which settlement were embodied in a memorandum agreement between the said Timber Company and the said Trust Company, dated January 27, 1931; and

Whereas, in said memorandum agreement it was agreed that the value of the use of the rails and related parts above described between dated of January 20, 1927 (the date on which said timber Company took possession of said rails and related metal parts) to and including the date of said agreement, was the sum of \$7500.00, which sum it was agreed should be repaid to said Trust Company on or before three years from date of said agreement, with interest at 6% per annum from January 1, 1931, payable semi-annually, said indebtedness to be evidenced by a mortgage executed by said Timber Company and covering certain standing timber on certain lands in said contract described;

Now, therefore, in consideration of the above premises and in fulfillment of the terms of said agreement; and for the purpose of securing the payment of the several sums of money above mentioned and the faithful performance of all the covenants herein contained, the said Timber Company does hereby GRANT, BARGAIN, SELL and CONVEY unto the said Trust Company, its successors and assigns forever, six million feet of standing timber now owned by said Timber Company and located in Sections 19 and/or 29 and/or 30, Township 3 North, Range 7 East Willamette Meridian, Skamania County, Washington; To Have and To Hold unto the said Trust Company, its successors and assigns, forever.

But as a mortgage to secure the payment of the sum of \$7500.00, which said sum said Timber Company agrees shall be repaid to said Trust Company on or before three years from date of January 27, 1931, with interest at 6% per annum from January 1, 1931, payable semi-annually.

The said Timber Company further covenants that it is the owner in fee simple of said timber; that it is free from encumbrances, and that it will pay all of said sums of money, the principal and interest as herein specified, at the times herein designated, and all taxes and assessments which may be assessed or levied against said timber, or against said Trust Company, its successors or assigns, on account of said mortgage indebtedness when the same becomes due and payable and not later than ten days before the same becomes delinquent.

The payment of said principal, interest and indebtedness, as above provided, will render this conveyance void.

It is expressly provided, however, that the said timber Company retains the privilege of selling and disposing of all timber on the lands above described, subject to the condition that the said Trust Company is to be paid the sum of \$1.50 per thousand feet, derived from the sale of any of said timber, determined under scale of Columbia River Log Scaling and Grading Bureau at the place where said scaling is done, and agrees at the time any such sale is made to forthwith execute and deliver to said Trust Company an order on such purchaser or purchasers, authorizing the payment to said Trust Company of the above sum, which sum said Trust Company agrees to apply first to payment of interest then due on the above mentioned indebtedness, and the balance, if any, on principal.

It is further expressly provided that in event of foreclosure by said Trust Company of this mortgage no deficiency judgment against said Timber Company will be taken.

It is further expressly provided that time and the exact performance of all the conditions hereof is of the essence of this contract, and in case default be made in the payment

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Mallory Lumber Co. and  
1933 in Volume 7 of Mtgs. page 255 and 256.  
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