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BOOK 122 PAGE 354

SCTC 16185

LOAN AGREEMENT AND MORTGAGE

1. **Date and Parties**: This Agreement made on Feb 22, 1991, by and between WEYERHAEUSER COMPANY ("Weyerhaeuser") and Eagle Ridge Development Corporation.

2. **Loan**: Eagle Ridge Development Corporation acknowledges that it has borrowed and received thirty seven thousand five hundred dollars ($37,500.00) from Weyerhaeuser to finance its purchase of timber on the real estate described in Exhibit A. Eagle Ridge Development Corporation is indebted to Weyerhaeuser in that amount and agrees to repay the same on the terms set forth.

3. **Interest**: The unpaid balance of said loan shall not bear any interest until April 5, 1991. After that time period, it shall bear interest at the rate of twelve percent (12%) per year.

4. **Security - Mortgage**:
   - A. As security for its repayment of the said loan with interest, if any, Eagle Ridge Development Corporation hereby grants Weyerhaeuser a mortgage on its interest in the timber described on Exhibit A.
   - B. Eagle Ridge Development Corporation also agrees to harvest the timber to the extent that it is merchantable, and to sell and deliver all export logs to Weyerhaeuser at the prices and location set forth in Exhibit B (log price list).
   - C. Said timber harvest and log deliveries shall be completed on or before April 5, 1991.
   - D. If for any reason Eagle Ridge Development Corporation fails to harvest and deliver the aforesaid logs at the said delivery point by April 5, 1991, Weyerhaeuser may, in its discretion, perform these functions, or hire a contractor to perform them, for and on behalf of Eagle Ridge Development Corporation in performing these functions.
   - E. Eagle Ridge Development Corporation warrants that it owns the said timber and has full authority to encumber, harvest and sell it.

5. **Loan Amortization**:
   - A. The aforementioned thirty seven thousand five hundred dollar ($37,500.00) loan shall be amortized by applying a part of the price due for the logs which Eagle Ridge Development Corporation must deliver to the principal of the loan set forth in Exhibit C (loan amortization schedule). The purpose of this amortization schedule is to assure the complete repayment of the loan on or before April 5, 1991. If the anticipated rate of log deliveries fails to materialize, Weyerhaeuser may adjust the amortization schedule accordingly.
   - B. If for any reason the loan is not repaid in full by April 12, 1991, the unpaid balance then remaining, shall be paid in cash within 15 days.

6. **Guarantee**:
   The obligations under the above agreement between Eagle Ridge Development Corporation and Weyerhaeuser Company are guaranteed by me personally.

Ron Powell — 2-22-91
Date

Eagle Ridge Development Corporation — 2-22-91 Date

Weyerhaeuser Company
Longview Operations — 2-22-91 Date

STATE OF WASHINGTON)
) ss.
County of Skamania)

On this 22 day of Feb, 1991, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ron Powell and Bob Bishop to me known to be the persons who executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said persons, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

GORDON L. REITER
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES

Notary Public in and for the State of Washington
residing at Vancouver
My appointment expires: 5-15-94

C:\WP5[illegible].AGR February 16, 1991

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BOOK 122 PAGE 355

NOTICE AND DISCLAIMER

Weyerhaeuser Company has agreed to make a loan of thirty seven thousand five hundred dollars ($37,500.00) to Eagle Ridge Development Corporation (Borrower) for the purpose of buying standing timber, land or both. The decision to make this loan was based on Weyerhaeuser's business judgement. By this decision Weyerhaeuser makes no statement, express or implied, to Borrower or anyone else, that the quality, quantity or species mix of said timber to be purchased will, when harvested and sold to Weyerhaeuser, provide sufficient funds to pay back the loan.

The dollar amount of the loan described in the attached LOAN AGREEMENT AND MORTGAGE must be repaid. The loan will not be canceled or marked paid in full just because the timber purchased with the borrowed funds did not produce enough funds to pay the loan. **Borrower is hereby cautioned to exercise its own judgement as to whether the timber, when harvested and sold to Weyerhaeuser, will produce enough money to repay the loan.**

Read, understood and accepted the 22 day of Feb, 1991.

Eagle Ridge Development
Borrower

EXHIBIT A

LEGAL DESCRIPTION

All timber live or dead, standing or down, located on:

The Southeast quarter of the Southwest quarter of Section 33, Township 2 North, Range 6 East of the Willamette Meridian in the County of Skamania and State of Washington.

EXCEPT that portion conveyed to State of Washington, recorded November 7, 1925 in Book U, Page 439, Skamania County Deed Records.

CHESTER A. KYKEMAN, as to an undivided 2/3's interest AND COLIN O. DYKEMAN, as to his separate estate AND DONALD E. MORGAN, trustee of the Morgan Family Trust Dated January 11, 1989 as to the remainder ----