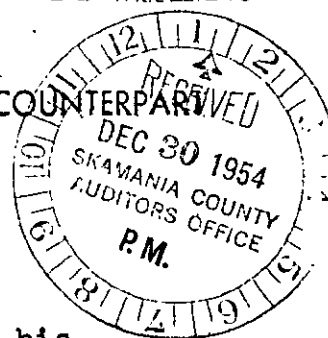


EXECUTED COUNTERPART



## REAL AND CHATTEL MORTGAGE

The Mortgagors, J. L. LEDGETT and LAVERNE LEDGETT, his wife, of Kelso, Washington, hereby transfer, grant, bargain, sell, convey and mortgage to SIMPSON LOGGING COMPANY, a Washington corporation, as Mortgagee, the following real and personal property, together with all rights, privileges and appurtenances thereunto belonging or in any wise appertaining:

- (1) the real estate in the counties of Clallam, Clark, Cowlitz, Klickitat, Lewis, Pacific, Pierce, Skamania and Thurston, in the State of Washington, described in Exhibit A hereto attached, and
- (2) the personal property located and described as set forth in Exhibit B hereto attached, together with any and all additions to and renewals of said personal property made by the Mortgagors.

This mortgage is to secure the payment of any and all indebtedness now or hereafter from time to time owing by the Mortgagors to the Mortgagee for sums of money heretofore or hereafter advanced or loaned to the Mortgagors, together with interest thereon. The total amount of indebtedness to be secured hereby is not to exceed in the aggregate the sum of \$50,000, plus interest until paid. The indebtedness shall be due and payable as may be agreed at the time of each loan or advance, but this mortgage shall not be security for any indebtedness falling due more than five years from date.

The Mortgagors covenant and agree:

- (a) to pay all indebtedness hereby secured as the same shall become due;
- (b) that (except as indicated on the attached exhibits) they have good title to the mortgaged property, free and clear of all liens and encumbrances, with good right to mortgage, convey and transfer the same;