

LOAN AGREEMENT AND MORTGAGE

124728

BOOK 155 PAGE 873

1. **Date and Parties:** This Agreement made on 3-5-96, by and between WEYERHAEUSER COMPANY ("Weyerhaeuser") and Roy S. Ostroski, a single person and Ronald D. Clark, a married person as his separate estate, hereafter known as Debtor.
2. **Loan:** Debtor acknowledges that it has borrowed and received forty five thousand dollars (\$45,000.00) from Weyerhaeuser to finance its purchase of land and timber on the real estate described in Exhibit A. Debtor 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 begin bearing interest 30 calendar days after closing. At that time, 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, Debtor hereby grants Weyerhaeuser a mortgage on its interest in the land and timber described on Exhibit A.
 - B. Debtor 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 June 30, 1996.
 - D. If for any reason Debtor fails to harvest and deliver the aforesaid logs at the said delivery point by June 30, 1996, Weyerhaeuser may, in its discretion, perform these functions, or hire a contractor to perform them, for and on behalf of Debtor in performing these functions.
 - E. Debtor warrants that it owns the said timber and has full authority to encumber, harvest and sell it.
5. **Loan Amortization:**
 - A. The aforementioned forty five thousand dollar (\$45,000.00) loan shall be amortized by applying a part of the price due for the logs which Debtor 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 June 30, 1996. 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 June 30, 1996, the unpaid balance then remaining, shall be paid in cash within 15 days.
6. **Guarantee:**

The obligations under the above agreement are guaranteed by me personally.

Roy S. Ostroski
Roy S. Ostroski

3-5-96
Date

Mike Mussman
Weyerhaeuser Company
Longview Operations

3/5/96
Date

Ronald D. Clark
Ronald D. Clark

3-5-96
Date

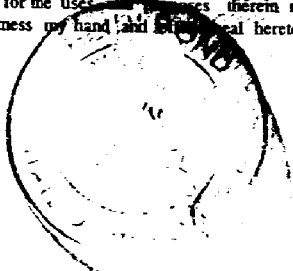
FILED FOR RECORD
SKAMANIA CO. WASH
BY SKAMANIA CO. TITLE

For record
Indexed, Oil
Indirect
Filed
Noted

STATE OF WASHINGTON)
) ss.
County of Klickitat)

MAR 6 3 00 PM '96
P. Lowry
AUDITOR

On this 5 day of 3, 1996, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Roy S. Ostroski and Ronald D. Clark 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 seal hereto affixed the day and year first above written.



Heidi Bel
Notary Public in and for the State of Washington
residing at White Salmon
My appointment expires: 10-25-94

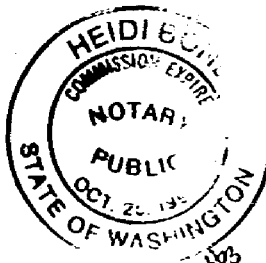


EXHIBIT A

LAND AND TIMBER LEGAL DESCRIPTION

A tract of land in the Southwest Quarter of the Northeast Quarter of Section 21, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

All that portion of the following described tract lying Easterly of the Easterly line of Cook-Underwood Road:

Beginning at the Northeast corner of the North half of the Southwest Quarter of the Northeast Quarter of said Section 21; thence following old fence South 660 feet; thence following old fence West 515.6 feet; thence North 660 feet; thence East 515.6 feet to the point of beginning.

RC
RO

EXHIBIT B
WEYERHAEUSER COMPANY
PRICE SHEET

BOOK 155 PAGE 875

P.O. Number
0148 E (Advance)



Vendor Name
Roy Ostroski and Ron Clark

Effective Date
March 4, 1996

Weyerhaeuser

PRICES SUBJECT TO CHANGE PRIOR TO EXPIRATION DATE UPON NOTIFICATION BY PURCHASER

<u>DOUGLAS FIR</u>			
Sort Code	Sort #	Price	Del. Point
RS	1	\$1250/M	DPT
SS	2/27	\$1180/M	DPT
SL	3	\$ 920/M	DPT
IS	25	\$1085/M	DPT
GC 20'-25'	5	\$ 685/M	DPT
GC 26'-40'	5/55	\$ 735/M	DPT
SC	6	\$ 790/M	DPT
DOM	13/16/70	\$ 400/M	DPT

<u>HEM-WF-NF</u>			
Sort Code	Sort #	Price	Del. Point
RS	1	\$690/M	DPT
SS	2	\$590/M	DPT
SL	3	\$540/M	DPT
GC	5	\$420/M	DPT
SC	6/66	\$420/M	DPT
DOM	13/70	\$300/M	DPT

RC
RO

SORTING AND CUTTING SPECIFICATIONS

- See enclosed sheet for cutting and sorting specifications.
- All loads must be species sorted.
- All logs must have bucked ends and bucked knots.
- Weyerhaeuser reserves the right to refuse loads not meeting sort specifications.

POSSESSION OF THIS PRICE SHEET IS NOT AN OFFER TO BUY

EXHIBIT C

LOAN AMORTIZATION SCHEDULE

1. Weyerhaeuser Company will retain the agreed upon log prices (Exhibit B) per MBF delivered until the forty five thousand dollar (\$45,000.00) loan is paid.
2. When the loan has been repaid in full, Weyerhaeuser shall pay Debtor the full prices listed on Exhibit B.

RC
RO