



201910230090

10/23/2019 02:51 PM Pages: 1 of 5 Fees: \$107.50
Skagit County Auditor

Recording Requested By/Return To:
Conterra Agricultural Capital, LLC
Attn: Alison Werts
7755 Office Plaza Drive North Suite 195
West Des Moines, IA 50266

Grantor: Bear Creek Tree Farm, LLC

Grantee: Galbraith Tree Farm, LLC

Assessor's Property Tax Parcel or Account Number: P51496/360814-1-003-0009 and P51447/360811-3-001-0000

Abbreviated Legal Description: PTN NW AND NE 14-36-08 AND PTN SW, 11-36-08

Reference Number: Document No. ~~201809140058~~ 201809140058 ; 201910230089

ASSUMPTION AGREEMENT

Loan # 21701487

This ASSUMPTION AGREEMENT (this "Agreement") is made and entered into as of this 26 day of July, 2019, by and between BEAR CREEK TREE FARM, LLC, a Washington limited liability company ("Purchaser"), and U.S. Bank National Association, as Custodian/Trustee for Federal Agricultural Mortgage Corporation programs, a federally chartered corporation ("Lender"), and GALBRAITH TREE FARM, LLC, a Washington limited liability company ("Borrower").

RECITALS

WHEREAS, Borrower executed a promissory note dated June 26, 2017, pursuant to which AgAmerica Lending, LLC, a Florida limited liability company ("AgAmerica") made a loan to Borrower in the principal amount of \$5,600,000.00 (the "Loan");

WHEREAS, the Loan is evidenced by a promissory note dated June 26, 2017, executed by Borrower in favor of AgAmerica in the original principal amount of \$5,600,000.00, and subsequently endorsed by AgAmerica to Lender on the same date (the "Note");

WHEREAS, the Note is secured by, among other things, a Mortgage, Security Agreement, Assignment of Rents and Fixture Filing dated September 14, 2018, and recorded with the Skagit County, Washington Auditor as Document No. 201809140058, on September 14, 2018 (the "Security Instrument"), encumbering the real property as described therein (the "Property"), in favor of Lender;

WHEREAS, Borrower desires to convey the Property encumbered by the Security Instrument to Purchaser;

WHEREAS, the Security Instrument expressly prohibits the conveyance of the Property without the express written consent of Lender;

WHEREAS, Lender is willing to provide its consent to the transfer of the Property to Purchaser on condition that Purchaser assumes the obligations under the Security Instrument and agrees to perform all the covenants and conditions contained in the Security Instrument, the Note, and related loan documents

(collectively, the "Loan Documents"), and executes an amendment to the Note whereby Purchaser is added as co-borrower together with Borrower;

WHEREAS, as part of the consideration for acquiring the Property and Lender's consent to acquisition of the Property, Purchaser agrees to assume the Security Instrument and perform all the covenants and conditions contained in the Loan Documents, and Purchaser further agrees to execute an amendment to the Note whereby Purchaser is added as co-borrower together with Borrower;

NOW, THEREFORE, for and in consideration of the mutual agreements contained in this Agreement and on condition that the lien of the Security Instrument held by Lender is a valid, first, and submitting lien on the Property and that the execution of this Agreement will not impair the lien of the Security Instrument, Purchaser, Lender, and Borrower (each a "Party" and collectively, the "Parties") agree as follows:

AGREEMENT

1. **Assumption.** The Parties agree that the foregoing recitals are true and correct and are hereby incorporated fully by reference. Purchaser expressly assumes the Security Instrument, agrees to enter into an Amended and Restated Security Instrument and Amendment to Note, and agrees to perform all covenants, conditions, duties and obligations of Borrower under the Loan Documents in accordance with the terms thereof.

2. **Consent to Conveyance.** Lender hereby consents to the transfer of the Property from Borrower to Purchaser, but Lender expressly reserves the right to withhold its consent to any future sale or transfer of the Property, as provided for in the Security Instrument.

3. **Warranties and Representations.** Purchaser and Borrower affirm, warrant, represent and covenant that neither Purchaser nor Borrower has any defenses or rights of set-off against Lender or against the payment, collection or enforcement of the indebtedness evidenced by the Note and secured by the Security Instrument. Purchaser and Borrower further warrant and represent as follows:

a. Neither Purchaser nor Borrower has done any act or omitted to do any act which might prevent Lender from, or limit Lender in, acting upon or under any of the provisions herein, in the Security Instrument, in the Note or the Loan Documents;

b. Neither Purchaser nor Borrower is prohibited under any other agreement with any other person or any judgment or decree, from the execution and delivery of this Agreement, the performance of each and every covenant hereunder or under the Security Instrument, the Note or the Loan Documents;

c. No action has been brought or threatened which would in any way interfere with the right of Purchaser or Borrower to execute this Agreement and perform all of Purchaser's or Borrower's obligations contained herein, in the Note, in the Mortgage, or the Loan Documents;

d. All financial statements of Purchaser and Borrower are true and correct in all respects, fairly present the respective financial conditions of the subjects thereof, as of the respective dates thereof and no material adverse change has occurred that would affect Purchaser's or Borrower's ability to repay the indebtedness evidenced by the Note and secured by the Security Instrument; and

e. Purchaser is duly formed, validly existing and in good standing under the laws of the State of Washington and has full power and authority to consummate the transactions contemplated under this Agreement.

4. **Acknowledgements.** Borrower acknowledges that:

a. The Loan Documents are in full force and effect; and,

b. The principal balance of the Note as of the date of this Agreement is FIVE MILLION FOUR HUNDRED SIXTY-SIX THOUSAND SEVENTY-ONE & 84/100 DOLLARS (\$5,466,071.84) and principal and interest are unconditionally due and owing to Lender as provided in the Note.

5. **Costs.** Purchaser shall pay all costs of the transfer of the Property and assumption made under this Agreement, to include without limitation, attorneys' fees and recording costs, as well as the cost of an endorsement to Lender's title insurance policy insuring the lien of the Security Instrument after the recording of this Agreement. Such costs shall be due at closing hereunder and the payment thereof shall be a condition precedent to Lender's consent to the transfer of the Property to Purchaser. In the event that it is determined that additional costs relating to this transaction are due, Purchaser agrees to pay such costs immediately upon demand.

6. **Assumption Fee.** In consideration of Lender's consenting to the conveyance of the Property to the Purchaser, Lender is entitled to, and has earned, an assumption fee in the amount of \$750.00. Said fee shall be due and payable upon the execution and delivery of this Agreement. Borrower hereby agrees and acknowledges that said fee is being charged solely for costs relating to the assumption of the Security Instrument and not as interest for the forbearance or use of money.

7. **Paragraph Headings.** The paragraph headings used herein are for convenience of reference only and shall not be used in the interpretation or construction hereof.

8. **Governing Law.** This Agreement shall be governed, interpreted and construed by, through and under the laws of the State of Washington.

9. **Attorneys' Fees.** All costs incurred by Lender in enforcing this Agreement and in collection of sums due Lender from Purchaser and Borrower, to include, without limitation, reasonable attorneys' fees through all trials, appeals, and proceedings, to include, without limitation, any proceedings pursuant to the bankruptcy laws of the United States.

10. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto as well as their successors and assigns, heirs and personal representatives.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date above first written.

BORROWER:

GALBRAITH TREE FARM, LLC,
a Washington limited liability company

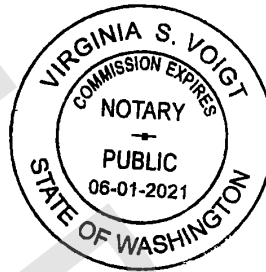
By: Robert W. Janicki
Its: Member

STATE OF WASHINGTON
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that Robert W. Janicki is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of Galbraith Tree Farm, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and seal this 26 day of July, 2019.

Virginia S. Voigt
Notary, State of Washington
Printed Name: VIRGINIA S. VOIGT
My Commission Expires: 6/1/21

**PURCHASER:**

BEAR CREEK TREE FARM, LLC,
a Washington limited liability company

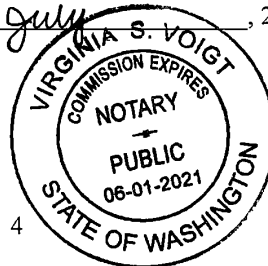
By: Robert W. Janicki
Its: Managing Member

STATE OF WASHINGTON
COUNTY OF Skagit

I certify that I know or have satisfactory evidence that Robert W. Janicki is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Managing Member of Bear Creek Tree Farm, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Given under my hand and seal this 26 day of July, 2019.

Virginia S. Voigt
Notary, State of Washington
Printed Name: VIRGINIA S. VOIGT
My Commission Expires: 6/1/21



LENDER:

U.S. BANK NATIONAL ASSOCIATION, AS CUSTODIAN/TRUSTEE FOR FEDERAL
AGRICULTURAL MORTGAGE CORPORATION PROGRAMS

By: Conterra Asset Management

Its: Attorney-in-Fact for U.S. Bank National Association as Custodian/Trustee for Federal Agricultural
Mortgage Corporation programs, under Limited Power of Attorney dated April 28, 2016



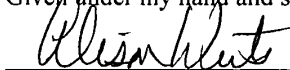
By: Mark A. Smith

Its: Senior Vice President and General Counsel

STATE OF IOWA
COUNTY OF DALLAS

On this 2nd of May, 2019, before me, the undersigned, a Notary Public in and for the State of Iowa,
personally appeared Mark A. Smith, to me personally known, who, being by me duly sworn, did say that
he is the Senior Vice President and General Counsel of Conterra Asset Management and that said instrument
was signed on behalf of the said limited liability company by authority of its managers and the said Mark
A. Smith acknowledged the execution of said instrument to be the voluntary act and deed of said limited
liability company by it voluntarily executed.

Given under my hand and seal this 2nd day of May, 2019.



Notary, State of Iowa

Printed Name: Alison Werts

My Commission Expires: 6-22-19

