

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
AgAmerica Lending LLC
4030 South Pipkin Road
Lakeland, Florida, 33811

W-200413
27 pgs

206474-LT

Document Title(s) (or transactions contained therein):
Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing
Reference Number(s) of Documents assigned or released: (on page [] of documents(s))
N/A
Grantor(s) (Last name first, then first name and initials): RJ GROUP LLC, WA LIMITED LIABILITY CO. <i>Bear Creek Tree Farm LLC, a Washington limited liability company</i> GALBRAITH TREE FARM, LLC, a Washington limited liability company
Grantee(s) (Last name first, then first name and initials):
AgAmerica Lending LLC (Mortgagee / Lender)
Abbreviated Legal description:
WHATCOM COUNTY W1/2 & PTN SE1/4, S2, T37N, R3E; SE1/4, PTN OF SW1/4, S1/2 NW1/4 & W1/2 NE1/4, S10, T37N, R3E; PTN OF E1/2 NE1/4, S9, T37N, R3E; N1/2 NE1/4, S15, T37N, R3E; NW1/4 & W1/2 NE1/4 & W1/2 SW1/4, S11, T37N, R3E; PTN OF E1/2 SE1/4, S4, T37N, R3E; S1/2, NW1/4 & PTN OF NE1/4, S3, T37N, R3E; BLKS 1 THRU 6, EAST HAVEN ADD TO FAIRHAVEN; BLKS 1 THRU 8, MENLO PARK; TRACTS 1 THRU 4 & 13 THRU 16, GARDEN PARK ADD TO FAIRHAVEN; BLKS 1 THRU 20, ELECTRIC MOTOR LINE ADD TO FAIRHAVEN; BLKS 1 THRU 9, 11 THRU 14 & LOTS 1 THRU 9, 11 THRU 14 & 16 THRU 22, BLK 10, DONOVAN AVE ADD TO FAIRHAVEN; & BLKS 1 THRU 15, 17 THRU 26, & 22 THRU 24, BLK 6, GREAT NORTHERN ADD TO FAIRHAVEN
SKAGIT COUNTY ptn NW & NE, 14-36-8 and ptn SW, 11-36-8
<input checked="" type="checkbox"/> Full legal is on page [14] of document.

Assessor's Property Tax Parcel/Account Number(s)
WHATCOM COUNTY
370302 364013 0000 PIO 179710, 370302 132264 0000 PIO 179708, 370310 462444 0000 PIO 26195, 3703110604660000 PIO 26197, 3703110622250000 PIO 26198, 370311 196395 0000 PIO 179705, 370311 051094 0000 PIO 26196, 370310 064541 0000 PIO 26181, 370310 220528 0000 PIO 26187, 370310 235503 0000 PIO 26190, 370304 510131 0000 PIO 179702, 370303 208319 0000 PIO 21152, 370303 056312 0000 PIO 21151, 370303 529365 0000 PIO 21166, 370303 348401 0000 PIO 21157, 370303 379416 0000 PIO 21160, 370303 394478 0000 PIO 21161, 370303 396445 0000 PIO 21162, 370303 398527 0000 PIO 21164, 370303 407416 0000 PIO 21165, 370303 531581 0000 PIO 21167, 370303 314523 0000 PIO 21154, 370303 352469 0000 PIO 21158, 370303 352527 0000 PIO 21159, 370310 321148 0000 PIO 179745, 370310 268455 0000 PIO 26192
SKAGIT CO
360811-3-001-0000/P51447 & 360814-1-003-0009/P51496

RECORDING REQUESTED BY
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AgAmerica Lending LLC
4030 South Pipkin Road
Lakeland, Florida, 33811

**MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT,
AND FIXTURE FILING**

NOTICE TO RECORDER: THIS DOCUMENT ALSO CONSTITUTES A FIXTURE FILING THAT SHALL HAVE AN EFFECTIVE PERIOD UNTIL THIS MORTGAGE IS RECONVEYED OR SATISFIED OF RECORD OR ITS EFFECTIVENESS OTHERWISE TERMINATES AS TO THE LAND

THIS MORTGAGE ALSO CONSTITUTES A FINANCING STATEMENT FILED AS A FIXTURE FILING UNDER THE UCC; SEE ARTICLE 7 FOR ADDRESSES OF GRANTOR AND MORTGAGEE

The real property subject to the lien of this instrument is: **Abbreviated Legal:**

W1/2 & PTN SE1/4, S2, T37N, R3E; SE1/4, PTN OF SW1/4, S1/2 NW1/4 & W1/2 NE1/4, S10, T37N, R3E; PTN OF E1/2 NE1/4, S9, T37N, R3E; N1/2 NE1/4, S15, T37N, R3E; NW1/4 & W1/2 NE1/4 & W1/2 SW1/4, S11, T37N, R3E; PTN OF E1/2 SE1/4, S4, T37N, R3E; S1/2, NW1/4 & PTN OF NE1/4, S3, T37N, R3E; BLKS 1 THRU 6, EAST HAVEN ADD TO FAIRHAVEN; BLKS 1 THRU 8, MENLO PARK; TRACTS 1 THRU 4 & 13 THRU 16, GARDEN PARK ADD TO FAIRHAVEN; BLKS 1 THRU 20, ELECTRIC MOTOR LINE ADD TO FAIRHAVEN; BLKS 1 THRU 9, 11 THRU 14 & LOTS 1 THRU 9, 11 THRU 14 & 16 THRU 22, BLK 10, DONOVAN AVE ADD TO FAIRHAVEN; & BLKS 1 THRU 15, 17 THRU 26, & 22 THRU 24, BLK 6, GREAT NORTHERN ADD TO FAIRHAVEN

ptn NW & NE, 14-36-8 and ptn SW, 11-36-8

Tax Parcel Numbers:

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360811-3-001-0000/P51447 & 360814-1-003-0009/P51496

This mortgage is dated as of October 17, 2022, and is made by GALBRAITH TREE FARM, LLC, a Washington limited liability company, whose address is 103 North Township St., Sedro-Woolley, Washington 98225 ("Grantor"), to and in favor of AGAMERICA LENDING LLC, a Florida limited liability company, whose address is 4030 S. Pipkin Rd., Lakeland, Florida 33811 ("Mortgagee").

Mortgagee has agreed to make a variable rate loan in the original principal sum of \$2,200,000.00 (the "Loan") to GALBRAITH TREE FARM, LLC, a Washington limited liability company, BEAR CREEK TREE FARM, LLC, a Washington limited liability company, and THE RJ GROUP, LLC, a Washington limited liability company (individually and collectively the "Borrower"), under the terms and conditions of the Note, as defined below, and Loan Agreement (the "Loan Agreement") by Borrower, as defined therein, in favor of Mortgagee dated as of the date of this Mortgage.

ARTICLE 1 – GRANT

To secure repayment of the indebtedness evidenced by the Note and payment and performance of all other Secured Obligations (defined herein), Grantor irrevocably and unconditionally mortgages, warrants, grants, bargains, sells, and conveys to Mortgagee, WITH THE POWER OF SALE and right of entry and possession, all of Grantor's estate, right, title and interest which Grantor now has or may later acquire in the following, wherever located, and whether constituting real estate or personal property (individually and collectively, the "Property"): (1) the real estate and any interest in the real estate located in Whatcom and Skagit Counties, Washington, described in EXHIBIT A, attached hereto and incorporated herein (the "Land"); (2) buildings, structures, improvements, and fixtures now or hereafter erected on, affixed or attached to the Land, including all timber, storage and handling units and irrigation equipment, and fences, gates and loading chutes (the "Improvements"); (3) (A) wells, irrigation and drainage pumps, motors, pipes, windmills, wind machines, frost protection equipment, center pivot irrigators, sprinklers, drip line and emitters, filters, water measurement meters and control structures and other watering and irrigation equipment; and (B) all other equipment now or hereafter affixed or installed in any manner on the Land or the Improvements of the Property, including without limitation the equipment described in EXHIBIT B (other than rolling stock and implements customarily towed) (the "Equipment"); (4) easements, rights-of-way, and other rights and entitlements appurtenant to the Land or used in connection with the Land or as a means of access thereto; (5) other tenements, hereditaments and appurtenances to the Land; (6) rights to the use and enjoyment of water, whether surface or subsurface, whether riparian, appropriative, prescriptive or otherwise, and whether or not appurtenant, now or hereafter relating or available to the Land or Improvements or used in connection therewith: (A) water allocations, water banking rights or interests, carryover rights, supplemental water, storage and exchange rights drainage rights, distribution rights, storage rights, delivery rights, and other water-related rights or entitlements, whether available through any public or private irrigation projects, companies, districts, agencies or otherwise, together with all shares of stock evidencing any such rights or entitlements, and all voting rights and other rights and privileges that now or hereafter may exist with respect to such stock or with respect to participation, membership, or other involvement in any such projects, companies, districts, or agencies; (B) water and water inventory in storage; (C) rights under well, pump and filter sharing agreements; and (D) all easements, permits, licenses, leases, contracts, grants, reservations and any other rights and entitlements, however created, to drill, install and maintain wells, pumps and pipeline systems, or to use, appropriate, pump, extract, receive, transport, store or transfer water (collectively, the "Water Rights"); (7) shares, and rights under such shares, of any private water company, mutual water company, or other non-governmental entity pursuant to which Grantor or the Property may receive water, and any other certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts related thereto; (8) coal, oil, gas, and other hydrocarbon substances, geothermal resources, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under or produced from the Land and other coal, oil, gas, geothermal, and mineral interests with which any of the foregoing interests or estates are pooled or unitized and other "as-extracted collateral"; (9) all timber of every kind now or hereafter standing on or cut from the Land, or to be cut, and all forest products, along with all products thereof including but not limited to logs, lumbers in process and finished stock, and all contracts or conveyance or sale of such timber, forest products, and/or other products and any proceeds thereof (collectively, the "Timber") (a Timber Land Rider is attached hereto as EXHIBIT D and incorporated herewith); (10) leases, subleases, licenses and other agreements, granting a possessory interest in and to, or the right to extract, mine, reside in, sell, or use the Property, (individually and collectively, the "Leases");

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Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing
Galbraith Tree Farm [Loan No. 1473]

(11) bushes, groves, trees, plants, vines or other plantings upon or under the Land ("Permanent Plantings") (A Permanent Crop Rider is attached hereto as EXHIBIT C and incorporated herewith); (12) All crops grown, growing or to be grown on or under the Land, including crops produced on trees, vines, and bushes, including all such crops following severance from the Land, and seed and propagative portions of plants, and products of crops in their unmanufactured state, and harvested crops whether stored on or off the Land and whether such crops are considered "Inventory" or "Goods" as defined in the Uniform Commercial Code or the Washington Commercial Code ("Crops") (A Permanent Crop Rider is attached hereto as EXHIBIT C and incorporated herewith); (13) intellectual rights now or hereafter held by Grantor with respect to Permanent Plantings, including all such patents, patent licenses, trademarks and trademark licenses; (14) all right, title and interest in and to any leases now existing or hereafter entered into, relating to wind machines now or hereafter placed on the Land; (15) permits and licenses relating or pertaining to the use or enjoyment of the Property, including but not limited to state and federal grazing permits; (16) proceeds of and any unearned premiums on any insurance policies covering the Property, including the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property ("Insurance Claims"); (17) all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Land or Improvements ("Condemnation Awards"); (18) accessions, attachments and other additions to, substitutes or replacements for, all proceeds and products of, the Property; and (19) books, records and files relating to the Property, including computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

ARTICLE 2 - ASSIGNMENT OF RENTS

Grantor absolutely, irrevocably and unconditionally assigns Mortgagee, for security purposes, all rents and other benefits derived from the Leases, and all other issues, profits, royalties, bonuses, income and other proceeds of the Property, which includes Timber, whether now due, past due or to become due, including all prepaid rents, security deposits and other supporting obligations (collectively, the "Rents").

Notwithstanding the provisions of this Article 2, Mortgagee confers upon Grantor a revocable license to collect and retain the Rents as they become due and payable, so long as there is no Event of Default (the "License"). If an Event of Default has occurred, Mortgagee may terminate the License without notice to or demand upon Grantor.

Subject to the License, Mortgagee has the right, power and authority to collect any and all Rents. Mortgagee, by its acceptance of this Mortgage does not assume any duty or obligation under the Leases.

All lessees under the Leases are hereby irrevocably authorized and notified by Grantor to rely upon and to comply with (and are fully protected in so doing) any notice or demand by Mortgagee for the payment to Mortgagee of Rents, or for the performance of any of lessees' undertakings under the Leases, and lessees shall have no right or duty to inquire as to whether any Event of Default has actually occurred or is then existing hereunder. Subject to the License, Mortgagee may notify any person that the Leases have been assigned to Mortgagee and that all Rents are to be paid directly to Mortgagee, whether or not Mortgagee has commenced or completed foreclosure of or taken possession of the Property. Upon any event of default under the Loan Documents, Mortgagee may, at any time without notice, enter upon and take possession of the Property, which includes Timber, or any part thereof, in its own name sue for or otherwise collect such accounts, rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine. The collection of such rents, issues and profits or the entering upon and taking possession of the Property, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

Mortgagee may apply all amounts received by it pursuant to this assignment to pay any of the following in such order and amounts as Mortgagee deems appropriate: (1) Secured Obligations; (2) expenses of leasing, operating, maintaining and managing the Property, including without limitation, salaries, fees, commissions and wages of a managing agent and such other employees, agents or independent contractors as Mortgagee deems necessary or desirable; (3) taxes, charges, claims, assessments, any other liens, and premiums for insurance relating to the Property that Mortgagee deems necessary or desirable; and (4) the cost of alterations, renovations, repairs or replacements, and expenses incident to taking and retaining possession of the Property.

ARTICLE 3 – SECURITY AGREEMENT/FIXTURE FILING

Grantor grants Mortgagee a security interest in and pledges and assigns to Mortgagee all of Grantor's right, title and interest in all Property that may be characterized as personal property, including without limitation Timber, Equipment and Water Rights (the "Personalty"). Grantor authorizes Mortgagee to file any UCC financing statements required by Mortgagee, from time to time, to perfect Mortgagee's security interest in the Property.

The address adjacent to Grantor's signature below, (a) if Grantor is an individual, is Grantor's principal residence; (b) if Grantor is other than an individual and has only one place of business, is Grantor's principal place of business; and (c) if Grantor is anything other than an individual and has more than one place of business, is Grantor's chief executive office. The address for Mortgagee in Article 7 is its address as secured party under the Uniform Commercial Code as adopted in the Governing Law State (the "UCC").

This mortgage constitutes a financing statement filed as a fixture filing under the UCC in the real estate records of the county recorder of the county in which the Land is located, covering any Property which now is or later may become a fixture attached to the Land or any Improvement. For this purpose, the "debtor" is Grantor, the "secured party" is Mortgagee and the collateral is the Property.

ARTICLE 4 – SECURED OBLIGATIONS

Grantor makes the mortgage, grant, conveyance, transfer and assignment in Article 1, makes the assignment for security purposes in Article 2, and grants the security interest under Article 3 to secure payment and performance of the following obligations (individually and collectively, the "Secured Obligations"): (1) all obligations of the Borrower under: (i) that certain variable rate promissory note of even date herewith made by Borrower and payable to Mortgagee in the principal amount of Two Million Two Hundred Thousand and No/100ths Dollars (\$2,200,000.00) (the "Note"); (2) the Indebtedness (as defined in the Loan Agreement); (3) all obligations of Grantor under this Mortgage; (4) all modifications, amendments, extensions, and renewals, however evidenced, of any of the Secured Obligations; and (5) any of the foregoing that arises after the filing of a petition by or against Grantor under an insolvency or bankruptcy proceeding.

Future Secured Obligations. The Secured Obligations include future advances made by Mortgagee for any purpose, and all other future Secured Obligations. Those future advances and other future Secured Obligations, together with interest thereon, are secured by this Mortgage to the same extent as if made or incurred on the date of the execution of this Mortgage, and have priority as to third persons with or without actual notice from the time this Mortgage is filed for record as provided by law. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time. Nothing in this Section will constitute a commitment to make additional or future advances in any amount.

General. The scheduled maturity date of the Note is December 20, 2027. All persons who have or acquire an interest in the Property will be deemed to have received notice of, and will be bound by, the terms of this Mortgage and all other agreements and instruments evidencing and or securing the Loan (individually and collectively, the "Loan Documents"); provided, however, the Loan Documents specifically do not include the Unsecured Environmental Indemnity Agreement, dated as of the date hereof between, without limitation, Grantor and Mortgagee; that agreement, the "Environmental Indemnity").

VARIABLE RATE OF INTEREST. The Loan Documents include terms that permit or provide that the rate of interest on one or more of the Secured Obligations may vary from time to time. The obligations secured hereby may provide for the interest rate, payment terms, or balance due to be indexed, adjusted, renewed or renegotiated. A VARIABLE RATE RIDER is attached hereto as EXHIBIT E and incorporated herein.

This mortgage does not secure any indebtedness, liability or obligation that is expressly stated to be unsecured.

ARTICLE 5 – WARRANTY AND COVENANTS

Warranty of Title. Grantor represents and warrants that, other than the exceptions to title expressly listed on a schedule of exceptions to coverage in the final commitment for title insurance or pro forma policy of title insurance accepted by Mortgagee prior to the date hereof, Grantor lawfully possesses and holds fee simple title to all of the Land and Improvements; and that Grantor has the right, power and authority to mortgage, grant, convey and assign the

Property. Grantor especially agrees and declares that the separate estate of each of them, whether vested, contingent or in expectancy, is hereby conveyed and shall be bound for the payment and performance of the Secured Obligations.

Performance of Secured Obligations. Borrower shall promptly pay and perform each Secured Obligation in accordance with its terms.

Maintenance of Property. Grantor shall: maintain and preserve all rights and privileges Grantor now has in the Property; make any repairs, renewals or replacements to keep the Property in good working condition and repair; operate the Property, whether improved pastures, orchards, groves, grazing, timber, or crop lands, in a good and husband-like manner in accordance with accepted principles of sound agricultural and forestry practices in the area in which the Land is located; take all reasonable precautions to control wind and water erosion; fertilize improved pastures, if any, where necessary to maintain a good stand of desirable grasses; protect orchards and timber, if any, by reasonable precautions against loss or damage by fire including the maintenance of appropriate fire breaks; and neither remove nor permit the removal of any oil, gas, mineral, stone, rock, clay, or gravel owned by Grantor, or any timber, buildings, top soil, or fertilizer, without the prior written consent of Mortgagee.

Water Rights. Grantor represents and warrants that the Water Rights presently do afford, and shall be maintained during the term of the Loan at a level and of a nature sufficient to provide, the continuing, enforceable right to receive irrigation water on the Property from such sources, in such quantities and at such times and locations as has historically been available to the Property without interruption or substantially increased cost and in any event, based on current projections, sufficient to provide adequate water and/or drainage to continue the current and proposed agricultural operations on the Property. All existing Water Rights benefiting or available to the Property shall be maintained in full force and effect for the benefit of the Property by Grantor and applied to beneficial use so as to maintain the validity and priority of such rights. Grantor shall fully comply with, and not permit a default to occur under any water licenses, permits or delivery contracts used to provide water to the Property, and shall timely exercise all renewal or extension rights in such contracts. Grantor shall not modify, amend or terminate any Water Rights without Mortgagee's prior written consent. Grantor shall comply with the rules, regulations and ordinances of any water district, water agency or groundwater management agency in which the Property or any portion thereof is located and pay all related fees and assessments prior to delinquency. All irrigation wells and related facilities used to deliver irrigation water to any portion of the Property shall remain physically located within the boundaries of such Property or the subject of valid, enforceable easements appurtenant to the Property and encumbered hereby. If the use of any irrigation facilities or water serving the Property requires consent or the use of other property, Grantor shall maintain in effect all requisite easements or other legally enforceable and assignable rights to use such facilities and/or water to service the Property. Grantor shall notify Mortgagee if the irrigation water supply to any portion of the Property is interrupted or subject to interruption for any reason other than temporarily for routine maintenance or repairs in a manner that does not impair the operation of the Property.

Patented and Trademarked Varieties. Grantor shall not plant on the Land, or graft to any trees or vines on the Land, patented or trademarked varieties of trees or vines unless (1) Grantor owns the patent or trademark for such trees, vines or rootstock or a license to plant or graft such trees, vines or rootstock which is transferable to a successor owner of the Land, and (2) Grantor has, prior to such planting or grafting, provided to Mortgagee written evidence of such ownership or transferable license.

Compliance with Applicable Law. Grantor shall not commit or allow any act upon or use of the Property which would violate any applicable law, whether now existing or later to be enacted and whether foreseen or unforeseen, or any public or private covenant, condition, restriction or equitable servitude affecting the Property.

Taxes and Assessments. Grantor shall pay prior to delinquency all taxes, levies, charges and assessments imposed by applicable law or any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, and any and all intangible taxes and documentary stamp taxes determined at any time to be due on or as a result of the Secured Obligations, this Mortgage or any other Loan Documents, together with any and all interest and penalties thereon (individually and collectively, "Imposition"). If after the date of this Mortgage, the State of Washington passes any law deducting from the value of Land for the purpose of taxation any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by a mortgage for state or local purposes, or the manner of the collection of any such taxes, so as to affect this Mortgage, then within 180 days after notice by Mortgagee to Grantor, Borrower shall pay all Secured Obligations.

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Notwithstanding the foregoing provisions of this Section. Grantor may, at its expense, contest the validity or application of any Imposition by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that: (1) Mortgagee is satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest; and (2) Grantor shall have posted a bond or furnished such other security required by law.

Damages and Insurance and Condemnation Awards. Mortgagee may, at its option: (1) in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Property or Timber, and Mortgagee may make any compromise or settlement of the action or proceeding; (2) participate in any action or proceeding relating to any Condemnation Award; and (3) join Grantor in adjusting any Insurance Claim. All insurance proceeds, Condemnation Awards, and proceeds of any other claim based on warranty, or for damage, injury or loss to the Property or Timber which Grantor may receive or be entitled to must be paid to Mortgagee. Mortgagee may apply those proceeds first toward reimbursement of all of Mortgagee's costs and expenses, including attorney's fees and costs, incurred in connection with such recovery. The balance shall, at Mortgagee's option, be applied to pay or prepay some or all of the Secured Obligations in such order and proportions as it may choose. GRANTOR HEREBY SPECIFICALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES ALL RIGHTS OF A PROPERTY OWNER WITH RESPECT TO ALLOCATION OF CONDEMNATION AWARDS BETWEEN A PROPERTY OWNER AND A LIENHOLDER.

Site Visits, Observation and Testing. Mortgagee and its agents and representatives may enter and visit the Property with reasonable prior written notice and at any reasonable time for the purposes of observing it, performing appraisals, taking and removing soil or groundwater samples, and conducting tests on any part of it, as provided in the Environmental Indemnity, and otherwise to determine Grantor's compliance with this Mortgage.

Prohibited Transfers. Grantor agrees that a material factor in Mortgagee's decision to enter into the Loan Documents is the expertise, financial status and other characteristics of Grantor. Grantor shall not, without the prior written approval of Grantee, make or permit any Prohibited Transfer. Upon any Prohibited Transfer Mortgagee may declare all Secured Obligations to be due and payable immediately. "Prohibited Transfer" means: (1) any sale, contract to sell, conveyance, encumbrance, pledge, mortgage, or other transfer of all or any material part or interest of the Property, whether voluntary, involuntary, by operation of law or otherwise; provided, however, Grantor may sell or dispose of fixtures, including the Equipment, and other equipment, in the ordinary course of their business so long as such items are replaced with items of equal or greater value and utility; or (2) if Grantor is a corporation, any transfer or transfers of shares of more than ten percent (or such other portion, if any, permitted under the Note) of the voting power or the direct or indirect beneficial ownership of Grantor, on a cumulative basis, or any dissolution of the corporation; (3) if Grantor is a partnership, withdrawal or removal of any general partner, dissolution of the partnership under applicable law, or any transfer or transfers of more than ten percent (or such other portion, if any, permitted under the Note) of the partnership interests, on a cumulative basis; (4) if Grantor is a limited liability company, withdrawal or removal of any manager or managing member, termination of the limited liability company or any transfer or transfers of more than ten percent (or such other portion, if any, permitted under the Note) of the voting power or the ownership of the economic interest in the Grantor, on a cumulative basis; or (5) if Grantor is a trust, withdrawal or removal of any trustee or revocation of the trust; *provided, however*, that distributions in compliance with the terms of the Trust shall not be a Prohibited Transfer.

Prohibited Transfer Rate. A Prohibited Transfer will constitute an Event of Default and all Obligations will bear interest at the Default Interest Rate (as defined in the Notes).

Compensation and Reimbursement of Costs and Expenses. Borrower shall pay (1) for any services rendered in connection with this Mortgage; (2) all of Mortgagee's costs and expenses incurred in rendering any such services; and (3) all costs, expenses and other advances incurred or made by Mortgagee in an effort to enforce the terms of this Mortgage or protect the Property, whether any lawsuit is filed or not, including any bankruptcy or other voluntary or involuntary proceeding, in or out of court, or in defending any action or proceeding arising under or relating to this Mortgage, including attorneys' fees, and costs of any Foreclosure Sale. If Mortgagee chooses to dispose of Property through more than one Foreclosure Sale, Borrower must pay all costs, expenses or other advances incurred by Mortgagee in each of those Foreclosure Sales.

Payments Due Under This Mortgage. Borrower must pay all obligations to pay money arising under this Mortgage immediately upon demand by Mortgagee. Each such obligation shall bear interest from the date the obligation arises at the Default Interest Rate (as defined in the Notes).

ARTICLE 6 – EVENTS OF DEFAULT AND REMEDIES

Events of Default. The following each shall be an event of default under this Mortgage (an “Event of Default”): (1) an Event of Default (as defined in the Loan Agreement); (2) a Prohibited Transfer; (3) if Grantor is in default beyond applicable notice and grace periods under any other mortgage, deed of trust, deed to secure debt or other security agreement covering any part of the Property, whether it be superior or junior in lien to this Mortgage; or (4) for 10 days after notice from Mortgagee, Grantor is in default under any term, covenant or condition of this Mortgage which cannot be cured by the payment of a sum of money; provided that if: (A) it is reasonably certain that the default cannot be cured by Grantor within that 10 day period; and (B) Grantor has commenced curing that default within that 10 day period and thereafter diligently and expeditiously proceeds to cure that default, then that 10 day period shall be extended for so long as reasonably required by Grantor in the exercise of due diligence to cure that default, up to a maximum of 30 days after the notice to Grantor of the Event of Default.

Remedies. At any time after an Event of Default and the expiration of any applicable cure period, Mortgagee may invoke any and all of the rights and remedies described below. All of such rights and remedies are cumulative, and the exercise of any one or more of them does not constitute an election of remedies.

Acceleration. Mortgagee may declare any or all of the Secured Obligations to be due and payable immediately by Borrower.

Receiver. Mortgagee may, to the extent permitted by applicable law, make an ex parte application to any court of competent jurisdiction, and obtain appointment of, a receiver, trustee, liquidator or conservator of the Property, without notice, without giving bond, and without regard for the adequacy of the security for the Secured Obligations and without regard for the solvency of Borrower, any guarantor of all or any portion of the Secured Obligations, or of any person liable for the payment of the Secured Obligations. GRANTOR HEREBY WAIVES NOTICE OF THE APPLICATION FOR, AND CONSENTS TO THE APPOINTMENT OF A RECEIVER, TRUSTEE, LIQUIDATOR OR CONSERVATOR OF THE PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION; AND GRANTOR AGREES TO NOT OPPOSE SUCH APPOINTMENT.

Entry. To the extent permitted by applicable law, Mortgagee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Mortgagee may consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: taking and possessing all of Grantor's or the then owner's books and records; entering into, enforcing, modifying, or canceling leases on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying rents; collecting and receiving any payment of money owing to Grantor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Mortgagee so requests, Grantor will assemble all of the Property that has been removed from the Land and make all of it available to Mortgagee at the site of the Land. TO THE EXTENT PERMITTED BY APPLICABLE LAW, GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS MORTGAGEE AS GRANTOR'S ATTORNEY-IN-FACT TO PERFORM SUCH ACTS AND EXECUTE SUCH DOCUMENTS AS MORTGAGEE CONSIDERS APPROPRIATE IN CONNECTION WITH TAKING THESE MEASURES, INCLUDING ENDORSEMENT OF GRANTOR'S NAME ON ANY INSTRUMENTS. Regardless of any provision of this Mortgage or the other Loan Documents, Mortgagee shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Borrower to Mortgagee, unless Mortgagee has given express written notice of its election of that remedy in accordance with the UCC.

Cure; Protection of Security. Mortgagee may cure any breach or default of Grantor, and if Mortgagee chooses to do so in connection with any such cure, Mortgagee may also enter the Property and/or do any and all other things which it considers necessary or appropriate to protect the security of this Mortgage. Such other things may include: (1) appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Mortgagee under, this Mortgage; (2) paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's judgment is or may be senior in priority to this Mortgage, such

judgment of Mortgagee to be conclusive as among the parties to this Mortgage; (3) obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Note; (4) otherwise caring for and protecting any and all of the Property; and/or (5) employing counsel, accountants, contractors and other appropriate persons to assist Mortgagee. Mortgagee may take any of the actions permitted under this Article either with or without giving notice to any person. Notwithstanding the foregoing, in no event will Mortgagee have any obligation to take any of the actions set forth in this Section.

Uniform Commercial Code Remedies. Mortgagee may exercise any or all of the remedies granted to a secured party under the UCC. To the extent that applicable law imposes the duty on Mortgagee to exercise remedies in a commercially reasonable manner, Grantor acknowledges and agrees that it is not commercially unreasonable for Mortgagee to: (1) fail to incur expenses reasonably deemed significant by Mortgagee to prepare the Personalty for disposition or to fail to complete raw material or work in process into finished goods or other finished products for disposition; (2) fail to exercise collection remedies against account debtors or other persons obligated on the Personalty (directly or through the use of collection specialists), or to fail to remove liens, encumbrances or adverse claims against the Personalty; (3) advertise dispositions of the Personalty through publications or media of general circulation, whether or not the Personalty is of a specialized nature; (4) contact persons for expressions of interest in acquiring all or any portion of the Personalty; (5) hire professional auctioneers to assist in the disposition of the Personalty, whether or not the Personalty is of a specialized nature; (6) dispose of the Personalty by utilizing Internet sites that provide for or are reasonably capable of the auction of assets of the types included in the Personalty; (7) dispose of the Personalty in wholesale rather than retail markets; (8) disclaim disposition warranties; (9) purchase insurance or credit enhancements to insure Mortgagee against risks of loss, collection or disposition of the Personalty or to provide to Mortgagee a guaranteed return from the collection or disposition of the Personalty; or (10) sell any Personalty jointly with any of the Property or to sell any Personalty in a sale separate from a sale of any of the Property. Grantor acknowledges that the purpose of this Section is to provide a non-exhaustive indication of what actions or omissions by Mortgagee would fulfill Mortgagee's duties under the UCC in Mortgagee's exercise of remedies against the Personalty, and that other actions or omissions by Mortgagee shall not be deemed to fail to fulfill such duties solely on account of not being expressly included or indicated in this Section.

Judicial Action. Mortgagee may bring an action in any court of competent jurisdiction to foreclose this Mortgage in the manner provided under applicable law for the foreclosure of mortgages on real property or to obtain specific enforcement of any of the covenants or agreements of this Mortgage.

Sales of Personal Property. Mortgagee may elect to treat as Personalty any Property which is intangible or which can be severed from the Land or Improvements without causing structural damage. If it chooses to do so, Mortgagee may dispose of any Personalty separately from the sale of real property, in any manner permitted by Article 9 of the UCC, including any public or private sale, or in any manner permitted by any other applicable law. Any proceeds of any such disposition shall not cure any Event of Default or reinstate any Secured Obligation.

Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, in connection with any sale of the Property described in or permitted under this Article, Mortgagee may: (1) designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and (2) elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Mortgagee may deem to be in its best interests (any such sale or disposition, a "Foreclosure Sale"). If it chooses to have more than one Foreclosure Sale, Mortgagee at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as it may deem to be in its best interests. No Foreclosure Sale will terminate or affect the liens of this Mortgage on any part of the Property which has not been sold, until all of the Secured Obligations have been paid in full.

Cross-Default; Cross-Collateral. Grantor hereby agrees that (a) all other agreements between Grantor and Mortgagee, including that certain revolving line of credit loan from Mortgagee to Borrower (Loan Number 1472) are hereby amended so that a default or an event of default under this Mortgage is a default under all such other agreements and a default under any one of the other agreements is a default or an event of default under this Mortgage and Lender

may invoke any of the remedies permitted by this Mortgage in accordance with this Article 6; and (b) the collateral secures the obligations now or hereafter outstanding under all other agreements.

Additional Rights. In addition to the rights and powers given to Mortgagee under this Mortgage, Mortgagee shall have all such other rights both in law and equity for collection of the indebtedness secured hereby as it would have but for this Mortgage.

Credit Bids. At any Foreclosure Sale, any person, including Grantor or Mortgagee, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for that Property, Mortgagee may settle for the purchase price by crediting the sales price of the Property against the following obligations: first, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Grantor is obligated to reimburse Mortgagee; and second, all other Secured Obligations in any order and proportions as Mortgagee may choose.

Application of Foreclosure Sale Proceeds, Rents and Other Sums. Mortgagee shall apply the proceeds of any Foreclosure Sale to pay (or reimburse Mortgagee for payment of) the Secured Obligations in any order and proportions as Mortgagee may choose, with the surplus, if any, to be paid over to Grantor. Mortgagee has no liability for any funds which it does not actually receive.

Waivers. To the extent permitted by applicable law, Grantor waives: (1) any right to require Mortgagee to proceed against Borrower, proceed against or exhaust any security held from Borrower, or pursue any other remedy in Mortgagee's power to pursue; (2) any defense based on any legal disability of Borrower, any discharge or limitation of the liability of Borrower to Mortgagee, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor-relief proceeding, or from any other cause, or any claim that Grantor's obligations exceed or are more burdensome than those of Borrower; (3) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Mortgage and of the existence, creation, or incurring of new or additional indebtedness of Borrower, and demands and notices of every kind; (4) any defense based on or arising out of any defense that Borrower may have to the payment or performance of the Secured Obligations or any part of it; and (5) until the Secured Obligations have been paid and performed in full, all rights of subrogation, reimbursement, indemnification and contribution (contractual, statutory or otherwise), including any claim or right of subrogation under the Bankruptcy Code (Title 11 of the U.S. Code) or any successor statute, all rights to enforce any remedy that Mortgagee may have against Borrower, and all rights to participate in any security now or later to be held by Mortgagee for the Secured Obligations. Grantor waives all rights and defenses that Grantor may have because the Secured Obligations may be secured by real property other than the Property hereby encumbered. This is an unconditional and irrevocable waiver of any rights and defenses Grantor may have because the Secured Obligations may be secured by real property other than the Property. Grantor waives any right or defense it may have at law or equity, to a fair market value hearing or action to determine a deficiency judgment after a foreclosure of any real property other than the Property hereby encumbered. No provision or waiver in this Mortgage shall be construed as limiting the generality of any other provision or waiver contained in this Mortgage.

Information. Grantor is solely responsible for keeping informed of Borrower's financial condition and business operations and all other circumstances affecting Borrower's ability to pay and perform its obligations to Mortgagee, and agrees that Mortgagee will have no duty to disclose to Grantor any information which Mortgagee may receive about Borrower's financial condition, business operations, or any other circumstances bearing on its ability to perform.

No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Article, the assignment of the Rents and Leases under Article 2, the security interests under Article 3, nor any other remedies afforded to Mortgagee under the Loan Documents, at law or in equity shall cause Mortgagee to be deemed or construed to be a mortgagee in possession of the Property, to obligate Mortgagee to lease the Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

ARTICLE 7 – MISCELLANEOUS

Notices. All notices, approvals, consents, and other communications, under this Mortgage (“Notices”) must be in writing and mailed or delivered to the address specified herein. All Notices will be deemed to be given or made upon the earlier to occur of: (1) actual receipt by the intended recipient; or (2) (A) if delivered by hand or by courier, upon delivery; or (B) if delivered by mail, four Business Days after deposit in the U.S. mail, properly addressed, postage prepaid; except that notices and other communications to Mortgagee will not be effective until actually received by Mortgagee. Notices must be mailed or delivered, if to Grantor, to the address adjacent Grantor’s signature below; if to Mortgagee, to AgAmerica Lending LLC, 4030 South Pipkin Road, Lakeland, Florida, 33811.

Entire Agreement. This mortgage and the other Loan Documents collectively: (1) represent the sum of the understandings and agreements between Mortgagee and Grantor concerning the Loan; (2) replace any prior oral or written agreements between Mortgagee and Grantor concerning the Loan; and (3) are intended by Mortgagee and Grantor as the final, complete and exclusive statement of the terms agreed to by them.

No Waiver or Cure. Each waiver by Mortgagee must be in writing, and no waiver is to be construed as a continuing waiver. No waiver is to be implied from any delay or failure by Mortgagee to take action on account of any default of Grantor. Consent by Mortgagee to any act or omission by Grantor must not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Mortgagee’s consent to be obtained in any future or other instance. The exercise by Mortgagee of any right or remedy under this Mortgage or the other Loan Documents or under applicable law, shall not: cure or waive a breach. Event of Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other defaults under the Loan Documents, have been cured); or impair the security of this Mortgage; or prejudice Mortgagee or any receiver appointed in accordance with this Mortgage, in the exercise of any right or remedy afforded any of them under this Mortgage; or be construed as an affirmation by Mortgagee of any tenancy, lease or option, or a subordination of the lien of this Mortgage.

Merger. No merger shall occur as a result of Mortgagee’s acquiring any other estate in or any other lien on the Property.

Waiver of Dower, Homestead, and Distributive Share. Grantor relinquishes all right of dower, if any, and waives all right of homestead exemption and distributive share in and to the Property. Grantor waives any right of exemption as to the Property.

Waiver of Marshalling. Grantor waives all rights, legal and equitable, it may now or hereafter have to require marshalling of assets or to require upon foreclosure sales of assets in a particular order. Each successor and assign of Grantor, including any holder of a lien subordinate to this Mortgage, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

Waiver of Certain Other Laws. To the extent permitted by applicable law, Grantor shall not at any time insist upon, plead, claim or take the benefit or advantage of any applicable law providing for appraisal, valuation, stay, extension, equity or redemption, any statutory or common law right of redemption, and all other exemptions, and Grantor, for Grantor, and its representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of redemption (including, without limitation, any common law or statutory right of redemption), and all other exceptions, as well as valuation, appraisal, stay of execution, or notice of election to mature or declare due the whole of the Secured Obligations in the event of foreclosure of the lien created by this Mortgage. WITHOUT LIMITATION, TO THE EXTENT PERMITTED BY APPLICABLE LAW, IF THE UNDERSIGNED GRANTOR, OR ANY OF THEM, IS A CORPORATION, GRANTOR HEREBY RELEASES AND WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY JUDGMENT OF FORECLOSURE AND EACH OF THE ITEMS WAIVED AND RELEASED ABOVE, ON BEHALF OF GRANTOR, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY, SUBSEQUENT TO THE DATE OF THIS MORTGAGE, AND ON BEHALF OF ALL OF THE PERSONS TO THE EXTENT PERMITTED BY APPLICABLE LAW OF THE STATE OF WASHINGTON.

Joint and Several Obligations. Each Grantor (1) acknowledges and undertakes, together with every other Grantor, joint and several liability for the indebtedness, liabilities and obligations of Grantor under this Mortgage; (2) acknowledges that this Mortgage is the independent and several obligation of each Grantor and may be enforced against each Grantor separately, whether or not enforcement of any right or remedy hereunder has been sought against any other Grantor; and (3) agrees that its liability hereunder shall be absolute, unconditional, continuing and irrevocable. GRANTOR EXPRESSLY WAIVES ANY REQUIREMENT THAT MORTGAGEE EXHAUST ANY RIGHT, POWER OR REMEDY AND PROCEED AGAINST ANY OTHER GRANTOR UNDER THIS MORTGAGE, OR ANY OTHER LOAN DOCUMENTS, OR AGAINST ANY OTHER PERSON UNDER ANY GUARANTY OF, OR SECURITY FOR, ANY OF THE SECURED OBLIGATIONS.

Limitation of Grantor's Obligations. Mortgagee acknowledges that, notwithstanding any other terms or provisions of this Mortgage or any of the other Loan Documents: (1) Grantor has no recourse liability whatsoever to Mortgagee for any of the Secured Obligations secured by this Mortgage; and (2) any covenants or obligations of each Grantor shall be and is hereby expressly limited to the Property owned by each Grantor and any implication or interpretation that a Grantor shall have an obligation or shall have covenanted with respect to Property not owned by that Grantor is to be disregarded.

Governing Law/Jurisdiction and Venue. This mortgage shall be governed exclusively by the laws of the State of Washington without regard or reference to its conflict of laws principles.

Authority to Bind Grantor. If Grantor is comprised of multiple Persons, any Person comprising Grantor is hereby authorized to bind all parties comprising Grantor.

Binding Effect; Successors and Assigns. The Loan Documents shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns; provided, that Grantor shall not assign its rights or obligations hereunder without Mortgagee's consent. However, this section does not waive the Prohibited Transfer provisions; and Grantor shall not assign its rights or obligations hereunder without Mortgagee's consent. Mortgagee may transfer all or any portion of its rights under the Loan Documents to any other Person. Mortgagee may disclose to any actual or proposed transferee any information that Grantor has delivered to Mortgagee in connection with the negotiation of this Mortgage or pursuant to the Loan Documents; and Grantor shall cooperate fully with Mortgagee in providing that information to any actual or proposed transferee.

Severability. Any provision of any Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of that Loan Document or affecting the validity or enforceability of that provision in any other jurisdiction; except that if such provision relates to the payment of any monetary sum, then Mortgagee may, at its option, declare all Secured Obligations immediately due and payable.

General. This mortgage may not be amended, changed, modified, altered or terminated without the prior written consent of Mortgagee. This mortgage may be executed in counterparts, each of which will be an original and all of which together are deemed one and the same instrument. Mortgagee is authorized to execute any other documents or take any other actions necessary to effectuate this Mortgage and the consummation of the transactions contemplated herein. Time is of the essence of this Mortgage. Each party has participated in negotiating and drafting this Mortgage, so if an ambiguity or a question of intent or interpretation arises, this Mortgage is to be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Mortgage. When all Secured Obligations have been paid in full, Mortgagee shall execute and deliver to Grantor, a release of the Property from the lien of this Mortgage. Headings and captions are provided for convenience only and do not affect the meaning of the text which follows.

Washington Provisions. In addition to and notwithstanding any provision to the contrary in this Mortgage:

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[SIGNATURE PAGE TO MORTGAGE]

GRANTOR BY EXECUTION AND DELIVERY OF THIS MORTGAGE TO MORTGAGEE, AND MORTGAGEE, BY ACCEPTANCE HEREOF, TO THE EXTENT PERMITTED BY APPLICABLE LAW (1) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY IN ANY ACTION OR PROCEEDING FOR THE RESOLUTION OF ANY CONTROVERSY OR CLAIM THAT ARISES OUT OF OR RELATES TO: (A) THIS MORTGAGE; OR (B) ANY OTHER LOAN DOCUMENT, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE (INDIVIDUALLY AND COLLECTIVELY, A "CONTROVERSY OR CLAIM"); AND (2) WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY CONTROVERSY OR CLAIM TO THE EXTENT SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THE PROVISIONS OF THIS SECTION ARE GIVEN KNOWINGLY AND VOLUNTARILY AND ARE A MATERIAL INDUCEMENT FOR MORTGAGEE ENTERING INTO THE NOTES AND OTHER LOAN DOCUMENTS.

Grantor is executing this Mortgage effective as of the day and year first written above.

Address for notices:
103 North Township St.
Sedro-Woolley, Washington 98225

GRANTOR

GALBRAITH TREE FARM, LLC,
a Washington limited liability company

By: 

Robert Janicki, Managing Member

[ACKNOWLEDGEMENTS OF MORTGAGE ON FOLLOWING PAGE]

GALBRAITH TREE FARM, LLC,
a Washington limited liability company

By: [Signature]
Robert Janicki, its Managing Member

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

By: [Signature]
Robert Janicki, its Managing Member

THE RJ GROUP, LLC,
a Washington limited liability company

By: [Signature]
Robert Janicki, its Managing Member

[ACKNOWLEDGEMENTS OF MORTGAGE]

STATE OF WASHINGTON)
COUNTY OF Whatcom) ss.

I certify that I know or have satisfactory evidence that **ROBERT JANICKI** is the person who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledge it as Managing Member of GALBRAITH TREE FARM, LLC, THE RJ GROUP, LLC and BEAR CREEK TREE FARM, LLC to be a free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Given under my hand and official seal this 19 day of October, 2022.



KATHRYN A CLOONAN

Notary name printed or typed:

Notary Public in and for the state of Washington

Residing at: Skagit County

My appointment expires: 01-16-2026

EXHIBIT A**GALBRAITH TREE FARM
LOAN NO. 1473****MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
FIXTURE FILING****Legal Description of Real Estate**

Whatcom and Skagit Counties, Washington

The Whatcom County Land is described as follows:

PARCEL A:

THE SOUTHEAST QUARTER, EXCEPT PART PLATTED AS EAST HAVEN ADDITION TO FAIRHAVEN, WHATCOM COUNTY, WASHINGTON, RECORDED IN VOLUME 2 OF PLATS, PAGE 82, RECORDS OF WHATCOM COUNTY, WASHINGTON.

TOGETHER WITH BLOCKS 1, 2, 3, 4, 5 AND 6, EAST HAVEN ADDITION TO FAIRHAVEN, WHATCOM COUNTY, WASHINGTON, RECORDED IN VOLUME 2 OF PLATS, PAGE 82, RECORDS OF WHATCOM COUNTY, WASHINGTON.

ALSO TOGETHER WITH GOVERNMENT LOTS 3 AND 4;

ALSO TOGETHER WITH THE SOUTH HALF OF THE NORTHWEST QUARTER AND THE SOUTHWEST QUARTER, ALL IN SECTION 2, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL B:

ALL OF BLOCKS 1, 2, 3 AND 4, MENLO PARK, AN ADDITION TO SEHOME AND FAIRHAVEN, RECORDED IN VOLUME 2 OF PLATS, PAGE 68, RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL C:

GOVERNMENT LOT 4 (ALSO DESCRIBED AS THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER), SECTION 11, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.; ALSO THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL D:

THE EAST HALF OF THE NORTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL E:

Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing
Galbraith Tree Farm [Loan No. TBD]

THE ENTIRE PLAT OF ELECTRIC MOTOR LINE ADDITION TO FAIRHAVEN, BLOCKS 1 TO 20, INCLUSIVE, BEING THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.;

ALL OF BLOCKS 1 THROUGH 9, INCLUSIVE; LOTS 1 THROUGH 9, 11 THROUGH 14, AND 16 THROUGH 22, BLOCK 10; LOTS 1 THROUGH 22, BLOCK 16, LOTS 1 THROUGH 11, BLOCK 17, AND ALL OF BLOCK 11 THROUGH 14, 19 AND 20; DONOVAN AVENUE ADDITION TO FAIRHAVEN, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 2 OF PLATS, PAGE 83, RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL F:

THOSE PORTIONS OF THE SOUTHEAST QUARTER OF SECTION 4 THAT LIE EAST OF THE WEST LINE OF A PIPELINE EASEMENT RECORDED UNDER AUDITOR'S FILE NOS. 779595 AND 789170, SECTION 4, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.;

EXCEPT THAT RIGHT-OF-WAY LYING ALONG THE EASTERLY LINE THEREON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL G:

THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.;

ALSO ALL OF GOVERNMENT LOTS 1 AND 2; GOVERNMENT LOT 4; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; GOVERNMENT LOT 3; THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE ENTIRE SOUTHWEST QUARTER; THE ENTIRE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M.;

ALL OF BLOCKS 1 THROUGH 15; LOTS 22, 23 AND 24, BLOCK 16; ALL OF BLOCKS 17 THROUGH 28; PLAT OF GREAT NORTHERN ADDITION TO FAIRHAVEN, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 23, RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL H:

A PORTION OF SECTIONS 9, 10, 11 AND 15, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M., DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF THE EAST HALF OF SECTION 9 THAT LIE EAST OF THE WEST LINE OF A TRANS-MOUNTAIN OIL PIPELINE EASEMENT RECORDED UNDER AUDITOR'S FILE NO. 789621, RECORDS OF WHATCOM COUNTY, WASHINGTON.

ALSO THE FOLLOWING PORTIONS OF SECTION 10:

ALL OF THE SOUTHEAST QUARTER, AND THOSE PORTIONS OF THE NORTH TWO-THIRDS OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER THAT LIE EAST OF THE WEST LINE OF A

Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing
Galbraith Tree Farm (Loan No. TBD)

TRANS-MOUNTAIN OIL PIPELINE EASEMENT, RECORDED UNDER AUDITOR'S FILE NO. 789620, RECORDS OF WHATCOM COUNTY, WASHINGTON; AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER; AND THE SOUTH HALF OF THE NORTHWEST QUARTER; AND THE WEST HALF OF THE NORTHEAST QUARTER; AND ALL OF BLOCKS 5 THROUGH 8, MENLO PARK, RECORDED IN VOLUME 2 OF PLATS, PAGE 68, RECORDS OF WHATCOM COUNTY, WASHINGTON.

ALSO THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11.

ALSO THE FOLLOWING PORTIONS OF SECTION 15:

THE NORTH HALF OF THE NORTHEAST QUARTER, AND THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, EXCEPT THE FOLLOWING TRACT:

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTH HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15; THENCE SOUTH 89°48'10" EAST 22.40 FEET TO AN IRON PIPE; THENCE SOUTH 11°24'03" EAST 122.44 FEET TO AN IRON PIPE; THENCE SOUTH 20°23'00" WEST 85.83 FEET TO AN IRON PIPE; THENCE NORTH 88°22'19" WEST 22.40 FEET TO AN IRON PIPE ON THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE NORTH 1°37'41" EAST ALONG SAID WEST LINE, FOR A DISTANCE OF 200.00 FEET TO THE POINT OF BEGINNING.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

The Skagit County Land is described as follows:

PARCEL "A":

The West ½ of the Northwest ¼ of the Northeast ¼; the Southwest ¼ of the Northeast ¼, EXCEPT that portion deeded to Puget Sound Power & Light Company under deed recorded November 5, 1925, under Auditor's File No. 188710, Volume 138 of Deeds, page 117, being a correction of Auditor's File No. 183521, Volume 136 of Deeds, page 398; all that portion of the Northeast ¼ of the Northwest ¼, described as follows:

Commencing at a point which is the quarter corner between Sections 11 and 14 and running South a distance of 1,320 feet;
thence West a distance of 590 feet;
thence North 25°25' West a distance of 1,475 feet;
thence East a distance of about 1240 feet to the point of beginning, and all that portion of the Southeast ¼ of the Northwest ¼, described as follows:

Commencing at a point which is the Northeast corner of the Southeast ¼ of the Northwest ¼ of Section 14;
thence running South a distance of 977 feet;
thence North 30°45' West a distance of 1148 feet;
thence East a distance of 590 feet, more or less, to the point of beginning, all in Section 14, Township 36 North, Range 8 East, W.M., EXCEPT the following tract conveyed to Puget Sound Power & Light Company by deed recorded November 5, 1925, under Auditor's File No. 188710:

Beginning at a point on the East and West centerline of Section 14, Township 36 North, Range 8 East, W.M., which point is 1248.68 feet West of the quarter corner common to Sections 13 and 14 and is the true point of beginning;
thence North 64°36'10" West 39.0 feet;
thence North 10°45'10" West 25.6 feet;
thence North 12°53'50" East 41.5 feet;
thence North 21°25'10" West 74.7 feet;

Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing
Galbraith Tree Farm [Loan No. TBD]

thence North 43°23'40" West 43.7 feet;
 thence North 33°40'10" West 119.2 feet;
 thence North 54°37'40" West 108.1 feet;
 thence North 83°00'10" West 105.8 feet;
 thence North 40°43'10" West 111.1 feet;
 thence North 87°47'10" West 59.0 feet;
 thence North 76°10'10" West 109.8 feet;
 thence North 62°14'10" West 83.2 feet;
 thence North 73°03'10" West 69.8 feet;
 thence North 62°55'10" West 145.0 feet;
 thence North 74°48'10" West 67.0 feet;
 thence North 73°40'10" West 84.1 feet;
 thence North 56°24'40" West 142.7 feet;
 thence North 42°01'40" West 59.3 feet;
 thence North 32°02'10" West 48.5 feet;
 thence North 21°17'50" East 152.0 feet;
 thence North 16°48'40" West 52.6 feet;
 thence North 34°48'10" West 237.1 feet;
 thence North 10°56'10" West 125.4 feet; to a point, said point bearing South 1°19'20" East, 1576.16 feet from the
 quarter corner common to Section 11 and 14, Township 36 North, Range 3 East, W.M.;
 thence South 39°02'50" West 183.7 feet;
 thence South 31°28'40" East 261.8 feet;
 thence South 25°58'50" West 163.0 feet;
 thence South 22°52'40" East 300.5 feet;
 thence South 57°50'40" East 88.1 feet;
 thence South 84°34'10" East 239.8 feet;
 thence South 61°29'10" East 251.5 feet;
 thence South 79°59'40" East 118.3 feet;
 thence South 61°44'05" East 169.57 feet;
 thence South 25°9'25" West 44.6 feet;
 thence South 76°43'25" West 126.6 feet;
 thence South 43°12'55" West 88.6 feet;
 thence South 44°26'55" West 82.5 feet;
 thence North 80°01'25" East 186.8 feet;
 thence South 71°56'05" East 97.4 feet;
 thence South 34°55'35" East 44.98 feet to a point on the East and West centerline of Section 11, Township 36
 North,
 Range 8 East, W.M., which point is 1641.42 feet West of the quarter corner common to Section 13 and 14;
 thence East along centerline of Section 392.74 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

The Southwest ¼ of Section 11, Township 36 North, Range 8 East, W.M., EXCEPT that portion lying within the Baker Lake Road.

Situate in the County of Skagit, State of Washington.

END OF LEGAL DESCRIPTION

EXHIBIT B**GALBRAITH TREE FARM****MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING**

As-extracted collateral (including without limitation oil, gas and other minerals); fixtures (including without limitation trade fixtures and windmills and wind machines); equipment (including without limitation farm machinery, livestock handling equipment, compressors, pumps, stanchions, equipment relating to power generation, irrigation equipment, pivots, pumps, motors, sprinkler systems, mainlines, hand lines, wheel lines, siphon tubes, gated pipe and all other irrigation equipment used for the production or transportation of water on the real property described in the attached Exhibit A or for the irrigation or drainage thereof); embedded software relating to the foregoing; permits (including State and Federal grazing permits), licenses, agreements and documents necessary to own or operate the real property described in the attached Exhibit A; supplies; all Timber of every kind, including all Timber to be cut, all standing Timber, and all forest products, along with all products thereof including but not limited to logs, lumber in process and finished stock, and all contracts or conveyance or sale of such Timber, forest products and/or other products and any proceeds thereof, and accounts, inventory, chattel paper, general intangibles and accounts generated from the real property described in the attached Exhibit A (including without limitation all leases, bonuses, royalties, subleases, franchises, rents, issues, profits and incomes arising therefrom and all the estate, right, title and interest of every nature in and to the same); whether now owned or hereafter acquired, whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such property, and all proceeds (including without limitation insurance proceeds) from the sale or other disposition of any such property.

Irrigation equipment shall include without limitation all sprinkler systems to the extent now located or hereafter erected on or used in connection with the real property described in the attached Exhibit A.

All equipment affixed to the real property described in the attached Exhibit A, all spare parts and special tools for such equipment, and all fixtures. All prepaid expenses arising from the ownership and maintenance of the Property.

All contract rights, chattel paper, documents, accounts, and general intangibles, whether now owned or hereafter acquired by debtors, including, but not limited to, all entitlements, rights to payment and payments (in whatever form received, including, but not limited to, payments in cash or in kind) under any current or future state or federal governmental programs, including, but not limited to, Governmental Agricultural Diversion Programs, Governmental Agricultural Assistance Programs, and the United States Department of Agriculture Farm Service Agency (FSA) Feed Grain Program; and all proceeds of the foregoing. All accounts receivable arising from the sale of Collateral or products of the Collateral or from any contract for the sale of Collateral or of products of the Collateral.

All bushes groves, trees, plants, vines or other plantings upon or under the Land ("Plantings") and all intellectual rights now or hereafter held by Grantor with respect to Plantings, including all such patents, patent licenses, trademarks and trademark licenses.

All crops grown, growing or to be grown on or under the Land, including crops produced on trees, vines, and bushes, including all such crops following severance from the Land, and seed and propagative portions of plants, and products of crops in their unmanufactured state, and harvested crops whether stored on or off the Land and whether such crops are considered "Inventory" or "Goods" as defined in the Uniform Commercial Code or the Washington Commercial Code ("Crops").

Together with any and all water, water rights, ditches and ditch rights, storage rights and permits, licenses, certificates or shares of stock currently used on, belonging to, or in any way appurtenant to the real property described in this Exhibit A, whether now owned or hereafter acquired, whether now existing or hereafter arising, and all proceeds from the sale or other disposition of any such property.

EXHIBIT C**PERMANENT CROP MORTGAGE RIDER**

Grantor agrees as follows:

1. The term "Permanent Crop" in this Rider means that part of the premises now maintained and operated is primarily for the production of timber permanent crop. This property consists of approximately 2,433.95 acres of timber permanent crop.
2. In the event Grantor secures a judgment for property damage and such award is intended by the parties to include damage to or loss to the permanent crops from the application of chemicals and/or water supply, Grantor agrees to deliver to Mortgagee the proceeds of such judgment which shall be applied to reduce the outstanding indebtedness secured by this Mortgage. Application of the proceeds shall be paid in the sole and absolute discretion of Mortgagee and Mortgagee may retain the entire application of proceeds, which shall not cure or waive any default by Grantor or Notice of Sale hereunder or invalidate any act done pursuant to such defaults.
3. Grantor will not commit or suffer waste of the premises or impairment in any manner of the agricultural value of the land, and without limiting the generality of the foregoing, will cultivate, irrigate, fertilize, spray, prune, replant all plantings, employ all practices in order to operate the land for its highest and best use as agricultural Property and keep the non-timber land free from all foul and noxious weeds, brush and other undesirable growths, provide for stock selection, crop rotation, drainage, prevention of erosion and pasture maintenance in accordance with the best farming practices in the community where Property is located.
4. In the event that Grantor has planted permanent plantings which have based upon a patent, Grantor hereby represent to Mortgagee that Grantor has paid all necessary fees for the patented varieties planted on Property and in the event of a default in any of the terms or provisions of this agreement, hereby grants to Mortgagee a license to the patented varieties and transfers all right, title and interest in the patented varieties as held by Grantor to Mortgagee and further grants to Mortgagee the right to sell said Property and plantings to third parties and transfer to them and patent rights.

[SIGNATURES ON FOLLOWING PAGE]

This Rider is attached to and made a part of this Mortgage, dated October 17, 2022 executed by the undersigned.

GRANTOR

GALBRAITH TREE FARM, LLC,
a Washington limited liability company

By: 
Robert Janicki, Managing Member

Exhibit C to Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing
Galbraith Tree Farm [Loan No. TBD]

EXHIBIT D TIMBERLAND MORTGAGE RIDER

Loan # 1473

Borrower and Grantor agree as follows:

Timber Lands. The term "Timber Lands" in this Rider means that part of the premises now maintained and operated primarily for the production of timber, consisting of approximately 2,433.95 +/- acres.

Management. The Timber Lands shall be operated for their highest and best use as timberlands, having due regard to soil conditions, stand arrangements and other factors relevant to the conduct of sound silvicultural and harvesting practices. Any intermediate harvesting of timber shall be carried out in a manner calculated to produce the maximum growth on the maximum number of stems, consistent with the production of the greatest quantity of timber.

Harvesting Operations. All cutting operations shall be conducted in such a manner as to realize the greatest return from the individual tree and from the timber stand, to effect suitable utilization of the Timber Lands, to assure the early and complete regeneration of stands of desirable timber, and to bring about their optimum development as to growth. Trees shall be cut as close to the ground as practicable. All desirable trees which are not at the time being harvested, including young trees shall be protected against unnecessary injury from felling, skidding and hauling. All measures reasonably practicable shall be used to prevent soil erosion including the proper location of skidways and roads.

Salvage. To the extent economically feasible, all trees which are dead, diseased, fallen or otherwise damaged by casualty, shall be salvaged in accordance with sound silvicultural practices. Timber salvaged shall be applied against the release provision in the "Cutting and Removal of Timber" paragraph below. Salvage in excess of volumes permitted under "Cutting and Removal of Timber" paragraph below shall be subject to the prior written approval of Lender.

Fire Protection. All measures reasonably necessary to protect the Timber Lands from loss by fire shall be taken. These measures shall be at least equal to fire control practices generally followed on timber producing property in the same general area, including the adoption of suitable prevention and control measures, the maintenance of adequate fire fighting equipment, proper disposal of slash, and full cooperation with state and federal agencies on matters of fire prevention and control.

Maintenance of Roads. An adequate system of roads and roadways shall be maintained in a manner which will permit access of mobile fire fighting equipment to all parts of the Timber Lands.

Control of Disease. There shall be maintained at all times in a manner satisfactory to Lender and in accordance with sound silvicultural practices all reasonable measures to prevent the development of and to control the spread of disease and insect infestation on the Timber Lands.

Trespass. The Timber Lands shall be marked to indicate its boundaries in a conspicuous manner satisfactory to Mortgagee. The markings shall be renewed from time to time as may be necessary to clearly maintain public notice of boundaries. Borrower shall cause the Timber Lands to be inspected for the purpose of preventing trespass, including unauthorized cutting of timber.

Contracts. No contract for the sale of timber in which the buyer is granted the privilege of entry upon the Timber Lands for cutting and removal shall be made without the prior written approval of Lender.

Inspection. Lender shall have the right to inspect the Timber Lands, to examine the scaling sheets and books of account of Borrower relating to the Timber Lands and to discuss the business, finances and accounts of Borrower with the Borrower and Borrowers' agents, all at such reasonable times and intervals as Lender may desire.

Exhibit C to Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing
Galbraith Tree Farm (Loan No. TBD)

Timber Cruise. Borrower and/or Grantor shall provide to Lender, annually and at no expense to Lender, a timber cruise of the Property. Lender reserves the right, in its reasonable discretion, to choose the date that the cruise shall be performed and completed.

Cutting and Removal of Timber. Borrower and Grantor agree not to cut or remove or to permit the cutting or removal of timber from the Timber Lands without the prior written consent of Lender, except as provided in this Rider. Timber shall not be harvested on the Property without first providing to Lender a timber harvest plan, which plan is subject to Lender's approval, in Lender's sole and absolute discretion. After review and approval of the timber harvest plan, Lender reserves the right to require Borrower to make a principal reduction to maintain a Loan-To-Value ratio acceptable to Lender in Lender's sole and absolute discretion, prior to harvesting any timber. The amount of principal paydown required shall be determined by Lender, in its sole and absolute discretion, following review of the timber harvest plan.

This Rider is attached to and made a part of this Security Instrument, dated October 17, 2022 executed by the undersigned.

BORROWER:

GALBRAITH TREE FARM, LLC,
a Washington limited liability company

By: 

Robert Janicki, its Managing Member

BORROWER:

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

By: 

Robert Janicki, its Managing Member

BORROWER:

THE RJ GROUP, LLC,
a Washington limited liability company

By: 

Robert Janicki, its Managing Member

GRANTOR:

GALBRAITH TREE FARM, LLC,
a Washington limited liability company

By: 

Robert Janicki, its Managing Member

EXHIBIT E**VARIABLE RATE RIDER**

THIS VARIABLE RATE RIDER is made this 17 day of October 2022, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's variable rate Note (the "Note") to AgAmerica Lending LLC (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

2,494 +/- acres in Whatcom and Skagit Counties, Washington
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE PERIODIC PAYMENT

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

The Note has the following terms which provide for changes in the interest rate and periodic payments, as follows:

INTEREST RATE

Interest on this Note shall be payable for the day a disbursement of proceeds of the Loan is made. Regularly scheduled payments of interest on this Note shall include interest accrued to but not including the stated payment date (as herein defined). Payments of principal on this Note shall include interest on the amount paid to but not including the stated payment date, and if payment is received after such day, payment of principal on this Note shall include interest to but not including the next stated payment date.

☐ If this box is checked, this Note shall be a fixed interest rate note, and interest on all sums advanced herein shall accrue at the fixed rate of _____ (____ %) per annum. Interest shall be computed on a 30-day month divided by a 360-day year. For the month in which the loan settlement date occurs, interest shall accrue on a "30/360" basis from and including the settlement date to and including the last day of such month, calculated as if such month had 30 days. (For example, if this Note had settled on either February 15 or March 15, in either case there would be 16 days of interest for that first month, including the settlement date.)

☒ If this box is checked, this Note shall be a variable interest rate note, and interest on the Loan shall accrue on the outstanding principal balance of this Note from the date funds are advanced through the Maturity Date (as hereinafter defined), at an annual rate equal to the Adjusted Term SOFR Rate (as hereinafter defined). Interest shall be computed on the actual number of days in the Interest Period (as hereinafter defined) divided by a 360-day year. The following terms shall have the following meanings when used in this Note. All capitalized terms used in this Note and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement.

- (i) "Adjusted Term SOFR Rate" shall mean, for any Interest Period, a rate per annum equal to 3.65% (the "Margin") plus the Term SOFR Rate for such Interest Period.

- (ii) "Business Day" shall mean any day other than a Saturday, Sunday or a legal holiday on which banks are authorized or required to be closed for the conduct of commercial banking business in Lakeland, Florida.
- (iii) "Interest Period" shall mean, other than for the first Interest Period, the [check applicable box] ☐ one (1) month or ☒ three (3) month period (the "Reset Period") commencing on the Rate Change Date through the day immediately preceding the next Rate Change Date. The first Interest Period shall commence on the date of this Note through, but not including the [check applicable box] ☒ First Payment Date or ☐ the date that is [check applicable box] ☐ one (1), ☐ two (2), or ☐ three (3) Reset Period(s) prior to the First Payment Date.
- (iv) "Rate Change Date" shall mean the first day of any Interest Period, exclusive of the initial Interest Period. The day of the month of the Rate Change Date shall coincide with the day of the month of the Payment Date.
- (v) "Term SOFR" or "Term SOFR Rate" shall mean, the forward-looking term rate based on the secured overnight financing rate (SOFR) as administered by the CME Group Benchmark Administration Limited as administrator of the forward-looking term SOFR (or a successor administrator of term SOFR selected by the Lender in its reasonable discretion), with a tenor comparable to [check applicable box] ☐ one (1) month or ☒ three (3) month, which rate is published on the date that is two (2) Business Days prior to a Rate Change Date. If prior to the commencement of any Interest Period, Lender determines (which determination shall be binding and conclusive upon the Borrower) that the Term SOFR Rate is: (a) no longer available for any reason; or (b) no longer posted through electronic transmission or is no longer posted or published through other sources; or (c) no longer adequately covers Lender's costs of making the Loan or Lender determines the Term SOFR Rate is unreliable, Lender shall select a publicly available replacement index that provides a comparable reference rate and maturity date to the Term SOFR Rate (the "Replacement Index"). In addition, Lender, in its sole and absolute discretion, shall have the right to adjust the Margin so that when added to the Replacement Index, the interest rate for next succeeding Interest Period results in an interest rate for such Interest Period that will minimize any change in the cost of the Loan to Lender taking into account the historical performance of the Term SOFR Rate and the Replacement Index (the "Substitute Rate"). The Term SOFR Rate (or any subsequent Replacement Index) shall have no floor and shall not be adjusted or rounded up from such actual quoted rate; provided however in no event shall the Term SOFR Rate (or any subsequent Replacement Index) ever be below 0% and in the event the Term SOFR Rate (or any subsequent Replacement Index) should ever fall below 0% the Term SOFR Rate (or any subsequent Replacement Index) shall be deemed to be 0%. The Term SOFR Rate shall initially be determined as of the date of the initial advance of funds to Borrower under this Note and shall be effective until the initial Rate Change Date.

REPAYMENT TERMS

☒ If this box is checked, during the Term, interest only shall be payable quarterly in arrears, commencing on December 20, 2022 ("First Payment Date") and on the same day of each quarter thereafter (i.e., March 20, and June 20, and September 20; each a "Payment Date"), unless otherwise accelerated in accordance with the terms hereof. The entire outstanding principal balance of this Note and any outstanding accrued interest shall be due and payable in full on December 20, 2027 (the "Maturity Date"), unless otherwise accelerated in accordance with the terms and conditions herein. In the event that any collateral securing this Note is sold, Lender reserves the right to require Borrower to make principal reductions on this Note in amounts determined by Lender in its sole and absolute discretion, including declaring the entire outstanding principal balance and any outstanding accrued interest due and payable.

☐ If this box is checked, during the Term, interest only shall be payable semi-annually in arrears, commencing on _____ (the "First Payment Date") and on the same day of each semi-annual period thereafter (i.e., December 20 and June 20; each a "Payment Date"), unless otherwise accelerated in accordance with the terms hereof. The entire outstanding principal balance of this Note and any outstanding accrued interest shall be due and payable in full on _____ (the "Maturity Date"), unless otherwise accelerated in accordance with the terms and conditions herein.

☐ If this box is checked, during the Term, interest only shall be payable monthly in arrears, commencing on _____ ("First Payment Date") and on the same day of each month thereafter (each a "Payment Date"), unless otherwise accelerated in accordance with the terms hereof. The entire outstanding principal balance of this Note and any outstanding accrued interest shall be due and payable in full on _____ (the "Maturity Date"), unless otherwise accelerated in accordance with the terms and conditions herein.

☐ If this box is checked, commencing on the _____ ("First Payment Date") and continuing quarterly on the same date of each three (3) month period thereafter (i.e., March 20, June 20, September 20 and December 20; each a "Payment Date"), unless otherwise accelerated in accordance with the terms hereof, Borrower shall make payments of principal and interest, which are based upon a _____ () year amortization and the Adjusted Term SOFR Rate for the applicable Interest Period. The entire outstanding principal balance of this Note and any outstanding accrued interest shall be due and payable in full on _____ (the "Maturity Date").

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Borrower has executed this Variable Rate Rider to the Mortgage as of the date and year first above written.

BORROWER:

GALBRAITH TREE FARM, LLC,
a Washington limited liability company



By: _____
Robert Janicki, its Managing Member

BORROWER:

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



By: _____
Robert Janicki, its Managing Member

BORROWER:

THE RJ GROUP, LLC,
a Washington limited liability company



By: _____
Robert Janicki, its Managing Member