

After Recording Return To:

Northwest Farm Loan Services, FLCA
2001 S. Flint Road
Spokane, WA 99224
Attention: Arianna Brown-Harris (509) 340-5208

**SECOND MODIFICATION OF MORTGAGE, FINANCING STATEMENT AND FIXTURE
FILING**

(Skamania County, Washington)

GRANTOR: POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

GRANTEE: NORTHWEST FARM CREDIT SERVICES, FLCA

REFERENCE NUMBERS OF
RELATED DOCUMENTS: 2010175728

Abbreviated legal description:

Ptns of Sec. 24, T7N, R5E; Ptns. of Secs. 3-11; 14-23; 27-29 & 33, T7N, R6E; Skamania County,
Washington

Additional legal is on Exhibit A

Assessor's Property Tax Parcel Numbers:

07-05-00-0-0-2600-0; 07-06-00-0-0-0200-00; 07-06-00-0-0-0300-00; 07-06-00-0-0-0400-00; 07-06-
00-0-0-0500-00; 07-06-00-0-0-0600-00; 07-06-00-0-0-0700-00; 07-06-00-0-0-0800-00; 07-06-00-0-0-
0900-00; 07-06-00-0-0-1000-00; 07-06-00-0-0-1200-00; 07-06-00-0-0-1300-00; 07-06-00-0-0-1400-
00; 07-06-00-0-0-1490-00; 07-06-00-0-0-1480-00; 07-06-00-0-0-1590-00; 07-06-00-0-0-1500-00; 07-
06-00-0-0-1600-00; 07-06-00-0-0-1700-00; 07-06-00-0-0-1800-00; 07-06-00-0-0-2600-00; 07-06-00-
0-0-2700-00; 07-06-00-0-0-2800-00; 07-06-00-0-0-3000-00; **07-06-00-0-0-3100-00**

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Pope Resources, a Delaware Limited Partnership

4816-0529-6202.2

SECOND MODIFICATION OF MORTGAGE, FINANCING STATEMENT AND FIXTURE FILING

NOTICE: THE MORTGAGE MODIFIED HEREBY IS A LINE OF CREDIT MORTGAGE. THE MAXIMUM PRINCIPAL AMOUNT OF SECURED OBLIGATIONS (AS DEFINED IN THE MORTGAGE) TO BE ADVANCED IS \$87,800,000 IN ADDITION, THE MORTGAGE MODIFIED HEREBY SECURES ALL OTHER INDEBTEDNESS EVIDENCED BY THE SECURED OBLIGATIONS OR OTHERWISE CREATED IN CONNECTION WITH THE MORTGAGE AS MODIFIED HEREBY, WHICH INDEBTEDNESS IS POTENTIALLY UNLIMITED. THE SECURED OBLIGATIONS PROVIDE FOR A MATURITY DATE OF JULY 1, 2028 (EXCLUSIVE OF THE OPTION TO RENEW OR EXTEND).

This Second Modification of Mortgage, Financing Statement and Fixture Filing (this "Modification"), dated as of June ~~27~~, 2017, is made by and between **POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP**, a Delaware limited partnership ("Mortgagor"), whose address is 19950 7th Avenue NE, Suite 200, Poulsbo, WA 98370, and **NORTHWEST FARM CREDIT SERVICES, FLCA**, a corporation organized and existing under the laws of the United States ("Mortgagee"), whose address is 2001 South Flint Road, Spokane, WA 99224-9198, P. O. Box 2515, Spokane, WA 99220-2515.

WHEREAS, a Mortgage, Financing Statement and Fixture Filing, dated June 10, 2010 was executed in favor of Mortgagee, which was recorded on June 14, 2010, as Instrument No. 2010175728 in the Official Records of Skamania County, Washington (as modified, amended or restated, the "Mortgage") covering the land described on the attached Exhibit A;

WHEREAS, the Mortgage secures, among other things, (i) a term loan in the original principal amount of \$9,800,000 and (ii) a multiple advance loan in the maximum principal amount of \$20,000,000, (iii) a term loan in the amount of \$32,000,000 (the "Carbon River Loan") and (iv) a multiple advance term loan in the amount of \$21,000,000 (the "Port Gamble Loan"), which loans were made by Mortgagee to Mortgagor pursuant to that certain Second Amended and Restated Master Loan Agreement dated as of July 20, 2016 (and as it may be extended, renewed, modified, amended or restated from time to time, the "Loan Agreement");

WHEREAS, Mortgagor and Mortgagee are increasing and restating the Port Gamble Loan to be known as the "Fund Co-Investment Loan", which will be in the maximum principal amount of \$31,000,000;

WHEREAS, the parties wish to acknowledge that the obligations secured by the Mortgage include the Port Gamble Loan and the Carbon River Loan.

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NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be bound hereby, Mortgagor and Mortgagee now agree as follows:

ARTICLE 1 AMENDMENTS

1.1 Recitals, References and Definitions.

- a. The recitals hereto are incorporated in and made a part of this Modification.
- b. All Secured Obligations described in the Mortgage shall be deemed to also include the Fund Co-Investment Loan.
- c. All references in the Mortgage to the "Mortgage" are deemed to refer to the Mortgage as amended and supplemented by this Modification.
- d. All capitalized terms used but not otherwise defined in this Modification shall have the meaning given such terms in the Mortgage.
- e. The address for notices for the Beneficiary appearing in Section 1.3 of the Mortgage is restated to read as follows:

"Name of Mortgagee, as Secured Party: Northwest Farm Credit Services, FLCA
Attn: Kristin R. Watts

Address of Mortgagee: 2001 S. Flint Rd.
Spokane, WA 99224-9198"

ARTICLE 2 MISCELLANEOUS

2.1 Headings. Article and section headings are included in this Modification for convenience of reference only and shall not be used in construing this Modification.

2.2 Severability. Every provision of this Modification is intended to be severable. The illegality, invalidity or unenforceability of any provision of this Modification shall not in any way affect or impair the remaining provisions of this Modification, which provisions shall remain binding and enforceable.

2.3 Successors and Assigns. This Modification applies to, inures to the benefit of and binds all parties to this Modification, their heirs, legatees, devisees, administrators, executors, successors and assigns.

2.4 Counterparts. This Modification may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

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.

[remainder of page left intentionally blank; signatures follow]

IN WITNESS WHEREOF, Mortgagor and Mortgagee have duly executed this Modification as of the date first above written.

MORTGAGOR:

POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP

By: Pope MGP Inc., a Delaware corporation, its Managing General Partner

By: Thomas M. Ringo
Thomas M. Ringo, President and CEO

STATE OF Washington)
)SS.
COUNTY OF Kitsap)

I certify that I know or have satisfactory evidence that Thomas M. Ringo 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 President and CEO of POPE MGP INC., a Delaware corporation, the Managing General Partner of POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

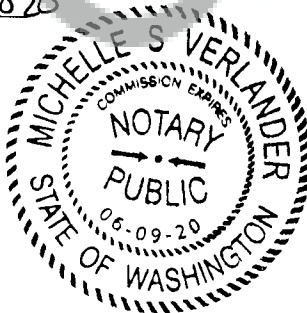
DATED: June 23, 2017

[Signature]
(Signature of Notary)

Michelle S. Verlander
(Legibly Print or Stamp Name of Notary)

Notary Public in and for the State of Washington

My appointment expires: 6-9-2020 residing at Bremerton



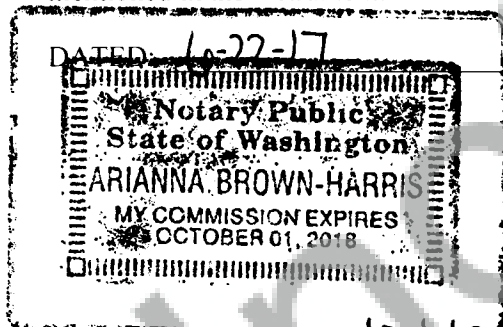
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**MORTGAGEE:
NORTHWEST FARM CREDIT SERVICES, FLCA**

By: Kristin R. Watts
Authorized Agent

STATE OF WASHINGTON)
)SS.
COUNTY OF Spokane)

I certify that I know or have satisfactory evidence that Kristin R. Watts is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Authorized Agent of Northwest Farm Credit Services, FLCA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



My appointment expires: 10-1-18

Arianna Brown-Harris

(Signature of Notary)

Arianna Brown-Harris

(Legibly Print or Stamp Name of Notary)

Notary Public in and for the State of

Washington

**EXHIBIT A
PROPERTY DESCRIPTION**

PARCEL 1

Section 24, Township 7 North, Range 5 East of the Willamette Meridian, Skamania County, Washington. Except the Southeast Quarter of said Section 24.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots O-1 Through O-24.

PARCEL 2

Section 3, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots D-1 Through D-32.

PARCEL 3

Section 4, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots C-1 Through C-32.

PARCEL 4

Section 5, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots B-1 Through B-32.

PARCEL 5

Section 6 Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots A-1 Through A-32.

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PARCEL 6

Section 7, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots E-1 Through E-32.

PARCEL 7

All of Section 8, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots F-1 Through F-5, F-7 Through F-28.

Also F-6 together with the South Half of the North Half of the Southeast Quarter of the Northwest Quarter.

EXCEPT that portion lying within Four Peaks Subdivision as recorded in Book B of Plats, Page 60, Skamania County Records.

PARCEL 8

Section 9, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots G-1 Through G-32.

PARCEL 9

Section 10, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots H-1 Through H-32.

PARCEL 10

The West Half of Section 11, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 11

The North Half of the Northeast quarter of Section 14, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots N-1 Through N-4.

PARCEL 12

Section 15, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots M-1 Through M-32.

PARCEL 13

Section 16, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots L-1 Through L-32.

PARCEL 14

Section 17, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots K-1 Through K-32.

PARCEL 15

Government Lots 1, 2, 3 and 4, the East half of the West half, the North half of the Northeast quarter, the Southwest quarter of the Southeast quarter and the Southwest quarter of the Northeast quarter of Section 18, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots J-1 Through J-23.

EXCEPT that portion conveyed to Marshall and Melba Moore, by deed recorded in Book 194, Page 10.

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PARCEL 16

Section 19, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots P-1 Through P-32.

PARCEL 17

Section 20, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots Q-1 Through Q-32.

PARCEL 18

Section 21, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots R-1 Through R-32.

PARCEL 19

Section 22, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots S-1 Through S-32.

PARCEL 20

The West half, the West half of the Southeast quarter and Government Lots 1 and 2, all in Section 23, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots T-1 Through T-19.

Also Lot T-20 being the South half of the Southwest Quarter of the Southeast Quarter and the South Half of the Southeast Quarter of the Southeast Quarter.

EXCEPT that portion conveyed to Pine Creek Boulder recorded in Auditor File No. 2004155506.

PARCEL 21

Section 27, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots W-1 Through W-31.

EXCEPTING from said Section 27, the following described tracts:

That portion conveyed to Swift Creek Estates by deed recorded under Auditor's File No. 99965, Book 85, Page 66 described as follows:

Beginning at the Southeast corner of said Section 27; thence North $0^{\circ}04'20''$ East 60.96 feet, more or less, along the Easterly line of said Section 27 to the Southerly right of way boundary of Lewis River Road commonly called the N-90 Road; thence South $86^{\circ}17'00''$ West 569.87 feet, more or less, along said Southerly right of way boundary; thence South $3^{\circ}43'00''$ East 25 feet, more or less, to a point on the Southerly line of said Section 27; thence South $89^{\circ}48'15''$ East 566 feet, more or less, along said Southerly line to the point of Beginning.

ALSO EXCEPTING that portion of the East half of the Southeast quarter of Section 27, being that certain Short Plat as recorded in Skamania County on November 3, 1987, in Book 3 of Short Plats, Page 125, recorded under Auditor's File No. 104203.

PARCEL 22

Section 28, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots V-1 Through V-29.

EXCEPTING from said Section 28 the following described tracts:

Beginning at a point on the West line of said Section 28 which is South $0^{\circ}16'55''$ East a distance of 1,674.98 feet from the West quarter section corner thereof and running thence South $25^{\circ}37'$ East 498.22 feet; thence South $47^{\circ}34'30''$ East 595.58 feet; thence North $59^{\circ}33'30''$ East 240.47 feet; thence South $40^{\circ}26'$ East 296.84 feet; thence South $89^{\circ}49'45''$ West 1,050.02 feet to the Southwest corner of said Section 28; and thence North $0^{\circ}16'55''$ West 958.19 feet to the point of beginning.

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ALSO EXCEPTING, Beginning at a point on the South line of said Section 28 which is North 89°49'45" East 2,006.72 feet from the Southwest corner thereof; and running thence North 78°19'30" East 237.50 feet; thence North 33°28' East 235.01 feet; thence North 63°23' East 464.47 feet; thence North 21°05'30" East 360.93 feet; thence North 17°30'30" East 212.97 feet; thence North 57°42' East 110.31 feet; thence South 16°09'30" East 375.99 feet; thence South 10°31'30" East 336.26 feet; thence South 31°11' West 416.74 feet to a point on the South line of said Section 28, which is South 89°52'30" West 2,259.98 feet from the Southeast corner thereof; thence South 89°52'30" West 380.01 feet to the South quarter corner of said Section 28; and thence South 89°49'45" West 634.99 feet to the Point of Beginning.

PARCEL 23

Section 29, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots U-1 Through U-17.

EXCEPT that portion conveyed to Pacific Power and Light Co. By deed recorded under Auditor's File No. 55342, Book 46, Page 115, described as lying South and West and below the 1,000 feet.

PARCEL 24

Section 33, Township 7 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also as described in Deed recorded in Auditor File No. 2007167218 as Lots V-25, V-26 & X-1.

EXCEPT that portion conveyed to Pacific Power and Light Co. By deed recorded under Auditor's File No. 55342, Book 46, Page 115, described as lying South and West and below the 1,000 feet.

Also except all that portion lying Southerly of Swift Reservoir.

EXCEPTING THEREFROM a Tract of land located in a portion of Sections 4, 5, 9, 10, 11, 14, 15 and 16, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington, being a portion of the land described in the "Second Revised Division Map of Swift North", according to the plat thereof, recorded in Auditor's file number 2013000822, Records of Skamania County, Washington, and in Deed recorded in Auditor's file number

2013000915 and correction deed recorded in Auditor's file number 2013000990 more particularly described as follows:

That portion of Section 5, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington, north and east of Pine Creek. Also described as Lots B-3, 4 and 7 per said "Second Revised Division Map of Swift North";

The Northeast quarter, the Southeast quarter, that portion of the Southwest quarter east of Pine Creek and that portion of the Northwest quarter east of Pine Creek, of Section 4, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington. Also described as Lots C-1 through 11, 13 through 18, and 20 through 28 per said "Second Revised Division Map of Swift North";

That portion of Section 9, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington, north and east of Pine Creek. Also described as Lots G-2 through 7, 9, 10, 13, 16 and 20 per said "Second Revised Division Map of Swift North";

Section 10, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington. Also described as Lots H-1 through 32 per said "Second Revised Division Map of Swift North";

The West half of Section 11, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington. Also described as Lots I-1 through 16 per said "Second Revised Division Map of Swift North";

The Northeast quarter, that portion of the North half of the Southeast quarter, north of Pine Creek, that portion of the North half of the Northeast quarter of the Southwest quarter, north of Pine Creek, and that portion of the Northwest quarter, north of Pine Creek, of Section 15, and that portion of East Half of the Northeast quarter, east of Pine Creek, of Section 16, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington. Also described as Lots M-1 through 15 per said "Second Revised Division Map of Swift North";

The North half of the Northeast quarter of Section 14, Township 7 North, Range 6 East, Willamette Meridian, Skamania County, Washington. Also described as Lots N-I through 4 per said "Second Revised Division Map of Swift North";

Assessor's Property Tax Parcel Numbers: 07-05-00-0-0-2600-0; 07-06-00-0-0-0200-00; 07-06-00-0-0-0300-00; 07-06-00-0-0-0400-00; 07-06-00-0-0-0500-00; 07-06-00-0-0-0600-00; 07-06-00-0-0-0700-00; 07-06-00-0-0-0800-00; 07-06-00-0-0-0900-00; 07-06-00-0-0-1000-00; 07-06-00-0-0-1200-00; 07-06-00-0-0-1300-00; 07-06-00-0-0-1400-00; 07-06-00-0-0-1490-00; 07-06-00-0-0-1480-00; 07-06-00-0-0-1590-00; 07-06-00-0-0-1500-00; 07-06-00-0-0-1600-00; 07-06-00-0-0-1700-00; 07-06-00-0-0-1800-00; 07-06-00-0-0-2600-00; 07-06-00-0-0-2700-00; 07-06-00-0-0-2800-00; 07-06-00-0-0-3000-00; 07-06-00-0-0-03100-00

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