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RECORDED REQUESTED BY AND
AFTER RECORDING RETURN TO:

Bank of America, N.A.
Commercial Loan Servicing Center
Commercial Real Estate Unit #20494
CA9-703-11-11
101 S. Marengo Avenue
Pasadena, CA 91109
Attention: Patricia Ferdinand
Loan No.: 9457398410-18

(Space above this line reserved for Recorder's use)

CONSENT
AND ASSUMPTION AGREEMENT
WITH RELEASE

(Louis T. Hill and Irene F. Hill - Loan No. 9457398410-18)

This Consent and Assumption Agreement with Release (this "Agreement") is made by and among Hill Land Co., L.L.C., an Oregon limited liability company ("New Borrower") and Bank of America N.T. & S.A. ("Lender"), as of the date set forth below (the "Effective Date") with reference to the following agreed upon facts:

RECITALS

A. New Borrower is presently the owner of certain real property located in Klamath County, State of Oregon, commonly known as 14889 Anderson Road, Klamath Falls, OR 97603 and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference together with all improvements, fixtures and personal property located thereon which, with the above described real property, is collectively referred to as the "Property." The Property is encumbered by a first-lien security interest evidenced by, among other things:

(i) that certain Indenture (the "Mortgage"), dated September 2, 1983, executed by Louis T. Hill, an individual, and Irene F. Hill, an individual (collectively, "Original Borrower"), as trustor, in favor of Lender, as beneficiary, recorded on September 13, 1983, in Volume M83 page 15733 in the Official Records of Klamath County, Oregon, securing a loan in the amount of Five Hundred Sixty Thousand and No/100 Dollars (\$560,000.00) and interest thereon; and

(ii) that certain UCC-1 Financing Statement, executed by Original Borrower, as debtor, and Lender, as secured party, recorded on July 20, 1983, as Instrument No. Volume M83 page 11528 in the Official Records of Klamath County, Oregon, and filed with the Mortgage records of Klamath County, Oregon (collectively, the "Security Documents").

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B. Lender's interest in the Loan is further evidenced, secured, and/or guaranteed by:

(i) that certain Security Agreement (Equipment and Farm Products) (the "Security Agreement") dated July 15, 1983, between Original Borrower and Lender.

C. The Security Documents secure, among other things, repayment of a loan (the "Loan") by Lender to Original Borrower evidenced by that certain Agricultural Real Estate Note (Adjustable Interest Rate) (the "Note"), dated September 2, 1983, in the original principal amount of Five Hundred Sixty Thousand and No/100 Dollars (\$560,000.00), executed by Original Borrower, as maker, in favor of Lender, as holder. The Security Documents secure performance of all of the monetary and non-monetary obligations, covenants, and agreements contained in the Mortgage and all other documents executed by Original Borrower in favor of Lender to induce Lender to make the Loan or perfect the lien of or otherwise evidencing, securing or memorializing the Loan or perfecting the lien or security interest created by the Security Documents (such documents together with the Note, Mortgage, and Security Agreement, and all extensions, substitutions, renewals or amendments thereto, are collectively and individually referred to herein as the "Loan Documents").

D. One or more defaults have occurred under the Loan Documents including, among other things: (1) transfer of the Property from Original Borrower to Louis T. Hill as trustee of the Louis T. Hill 1994 Revocable Trust pursuant to an agreement dated October 18, 1994 ("First Transfer") and to Irene F. Hill as trustee of the Irene F. Hill 1994 Revocable Trust pursuant to an agreement dated October 18, 1994 ("Second Transfer") without obtaining Lender's consent; (2) subsequent transfer of the Property to New Borrower ("Third Transfer") without obtaining Lender's consent; and (3) failure to make the payment due Lender under the Note when it became due on May 1, 2001 ("Payment Default").

E. Unless Lender elects to consent to the First Transfer, Second Transfer and Third Transfer, and waive the Payment Default, the Loan Documents entitle Lender to declare a default under the Loan Documents, accelerate payment of the balance due under the Note and foreclose the Mortgage. Lender has agreed to consent to said transfers and waive the Payment Defaults upon satisfaction of the following conditions:

(i) New Borrower assumes the Loan and all of Original Borrower's obligations under the Loan Documents; and

(ii) Lender agrees not to exercise its option under the Mortgage or other Loan Documents to accelerate the unpaid balance of the Note as a result of such transfer to New Borrower and allows New Borrower to assume the Loan and all of Original Borrower's obligations under the Loan Documents.

F. Upon the timely and complete satisfaction of the conditions set forth in this Agreement and the execution of such other documents as Lender may require in its sole and absolute discretion, Lender will consent to the First Transfer, Second Transfer and

Third Transfer, waive the Payment Default, and allow New Borrower to assume the Loan and obligations under the Loan Documents.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. REPRESENTATIONS, WARRANTIES AND COVENANTS OF NEW BORROWER

(a) New Borrower confirms and agrees that, as of September 1, 2001:

(i) the current outstanding principal balance of the Note is \$372,471.11;

(ii) the current effective interest rate of the Note is 7.098% per annum;

(iii) all installment payments due under the Note, through and including May 1, 2000, have been paid;

(iv) there are no defenses or claims of setoffs with respect to any such sums or other amounts owing under the Note, Mortgage and other Loan Documents;

(v) Lender is the current holder of the Note, Mortgage and other Loan Documents;

(vi) except for the Payment Default, no payment default exists of any amount due and owing under the Loan Documents and no late charges are currently owing thereunder; and

(vii) there are no currently outstanding default notices issued pursuant to the Loan Documents.

(b) On or before January 1, 2002, New Borrower shall pay to Lender an amount equal to the Payment Default. New Borrower acknowledges and agrees that payments of amounts due under the Payment Default does not include all accrued and unpaid interest. Therefore, interest shall continue to accrue on all principal until payment is received by Lender and on May 1, 2002, any and all accrual and unpaid interest including those for amounts due from the Payment Default shall be due on May 1, 2002.

(c) New Borrower further acknowledges (i) that the Note contains an adjustable interest rate and, accordingly, the interest rate and yearly installment payments under the Note adjust from time to time pursuant to the terms of the Note; and (ii) that the maturity date of the Note is May 1, 2013.

(d) New Borrower agrees that, unless and until Lender provides an alternative address for Lender, all Loan payments shall be made to Lender c/o Bank of America, N.A.,

P.O. Box 98672, Las Vegas, Nevada 89193-8672.

(e) Original Borrower represents and warrants that to the best of its knowledge:

(i) at the time of the conveyance of the Property to New Borrower, all outstanding and due taxes and assessments against the Property have been paid;

(ii) all insurance required by the Security Documents and the Loan Documents (the "Required Insurance") is currently maintained on the Property; and

(iii) all insurance premiums on the Required Insurance have been paid current.

New Borrower warrants that the Required Insurance will at all times continue in place and that New Borrower will pay for the same from and after the date the Property is conveyed to New Borrower.

2. CONDITIONS PRECEDENT TO CONSENT TO TRANSFER. Subject to satisfaction of all of the following conditions precedent and except as expressly provided herein:

(i) the complete execution and acknowledgment of this Agreement by all of the parties hereto and the delivery thereof to Lender for recordation concurrent with Closing;

(ii) the complete execution and delivery to Lender of one or more UCC financing statements and/or amendments as appropriate (the "New Financing Statements") for their respective recordation and filing, as appropriate, at Closing;

(iii) the complete execution and delivery to Lender by New Borrower of the following documents:

- a. a Certificate of New Borrower;
- b. a Certificate of Members of Limited Liability Company;
- c. an Environmental and Hazardous Substance Indemnity Agreement;
- d. the New Financing Statements;
- e. an IRS form W-9; and
- f. such other documents as Lender may require in its sole and absolute discretion;

(iv) the execution and delivery to Lender by David D. Hill, Dale R. Hill, William F. Hill, Dean F. Hill, Laura L. Brant, and Hill Land & Cattle

Co. (collectively, "Guarantors") of a Guaranty ("Guaranty");

(v) the delivery to Lender of satisfactory evidence of the currency of the Required Insurance;

(vi) the full release and reconveyance of any other liens or monetary encumbrances against the Property;

(vii) delivery to Lender of a Lender's policy of title insurance as Lender may require in its sole and absolute discretion including, but not limited to, a CLTA 111.4 endorsement or equivalent thereto insuring that the lien of the Mortgage is unimpaired by the transfer of title to the Property to New Borrower or the assumption of the Loan by New Borrower;

(viii) Lender's review and approval of New Borrower's organizational documents;

(ix) Lender's review and approval of an agreement terminating Original Borrower's (or any entity affiliated with Original Borrower) operation and management of the Property;

(x) Lender's review and approval of an opinion of New Borrower's counsel with respect to the existence, validity and organization of New Borrower as well as the enforceability of this Agreement, the Loan Documents and all documents or agreement executed herewith as against New Borrower and New Guarantor;

(xi) payment to Lender of the Assumption Fee (as hereinafter defined); and

(xii) all other payments, fees and expenses required by Section 3 of this Agreement to be paid at Closing by New Borrower and/or Original Borrower,

Lender consents to the transfer of the Property from Original Borrower to New Borrower and releases Original Borrower from any obligations under the Loan Documents.

3. ASSUMPTION FEE; INSTALLMENT PAYMENT; EXPENSES. In consideration for Lender's consent to the transfers of the Property, New Borrower covenants and agrees to pay to Lender at Closing:

(i) \$1,500.00, which represents the assumption fee to be paid to Lender for consenting to New Borrower's assumption (the "Assumption Fee").

New Borrower shall, at or prior to Closing, pay the cost of any escrow, filing or recording fees applicable to this transaction as well as Lender's costs and expenses incurred in connection with this Agreement or this transaction, including without limitation, Lender's reasonable attorneys' fees.

4. NEW BORROWER'S ASSUMPTION OF LOAN; NEW FINANCING STATEMENTS. New Borrower hereby expressly assumes the unpaid balance due and owing on the Note, together with interest thereon as provided in the Note, together with all other monetary and non-monetary covenants, agreements and other obligations under the Note, Mortgage and each and every one of the Loan Documents with the same force and effect as if New Borrower had been specifically named therein as the original maker, borrower, trustor or grantor, as applicable, it being specifically agreed by New Borrower that, if said Note is recourse, Lender's remedies shall not in any respect or extent be limited solely to the Property or any other collateral securing the obligation. New Borrower agrees to pay all loan installments as they become due and to observe all obligations of the Note, Mortgage and other Loan Documents. The foregoing assumption by New Borrower is absolute and unconditional, is not subject to any defenses, waivers, claims or offsets nor may it be affected or impaired by any agreement, condition, statement or representation of Original Borrower or any borrower or any failure to perform the same and that New Borrower hereby relinquishes, waives and releases any and all such defenses, claims, offsets, and causes of action. New Borrower expressly agrees that it has read and approved of and will comply with and be bound by all of the terms, conditions, and provisions contained in the Note, Mortgage and other Loan Documents.

New Borrower hereby agrees to execute and deliver, and authorizes Lender to record and/or file the New Financing Statements covering fixtures and personal property collateral related to the Property and covered by the security agreement contained in the Mortgage and other Loan Documents without signature of New Borrower where permitted by law, and New Borrower hereby confirms that it grants Lender a security interest in all fixtures and personal property collateral described in the Mortgage.

5. LIMITATION OF CONSENT. Lender's consent and waiver set forth in this Agreement is strictly limited to the First Transfer, Second Transfer, and Third Transfer and extension of the time to make the Payment Default and this Agreement shall not constitute a waiver or modification of any requirement of obtaining Lender's consent to any future transfer of the Property or any portion thereof or interest therein, nor shall it constitute a modification or waiver of the terms, provisions, or requirements in the Loan Documents in any respect except as expressly provided herein. New Borrower specifically acknowledges that:

(i) any transfer of the Property or any portion thereof or interest therein by New Borrower shall entitle Lender to accelerate the Note balance and foreclose the Mortgage; and

(ii) Lender's consent to this Agreement shall not be deemed to be consent by Lender to New Borrower encumbering the Property with any junior or other financing,

New Borrower represents and warrants that it shall not encumber the Property with junior or other financing. New Borrower represents and warrants that it will not assume or become obligated to repay any debt or obligation unrelated to the Loan or the operation or management of the Property.

The Loan Documents are hereby ratified and, except as expressly modified in this

Agreement, the Note, Mortgage and other Loan Documents remain unmodified and are in full force and effect.

6. NO REPRESENTATIONS OF LENDER. New Borrower recognizes and agrees that Lender has made no representation or warranty, either express or implied, regarding the Property and has no responsibility whatsoever with respect to the Property, the condition of the Property or the use, occupancy, or status of the Property. To the extent New Borrower has any claims which in any manner relate to the Property, the condition of the Property, or the use, occupancy, or status of the Property, the same shall not be asserted against Lender, or its agents, employees, professional consultants, affiliated entities, successors or assigns, or asserted as a defense to any of the Loan Documents.

7. EFFECT OF AGREEMENT. Upon the complete and timely satisfaction of the conditions precedent set forth in Section 2 above, this Agreement and the other documents executed concurrently herewith, except for the Guaranty, shall be deemed to form a part of the Loan Documents. This Agreement shall not prejudice any present or future rights, remedies or powers belonging or accruing to Lender under the Loan Documents, or the document or instrument executed in connection herewith nor impair the lien of the Security Documents.

8. NO EFFECT ON LIENS OR PRIORITY. Nothing in this Agreement shall in any way release, diminish or affect the first position lien of the Mortgage or any liens created by, or the agreements or covenants contained in, the Loan Documents or the first-lien priority of any such liens. New Borrower agrees that the Note, Mortgage and other Loan Documents shall secure all other sums that may be advanced in the future by Lender pursuant to the terms of the Loan Documents.

9. NEW BORROWER'S REPRESENTATIONS & WARRANTIES. New Borrower hereby represents and warrants that:

- (i) New Borrower is duly authorized to execute, deliver and perform this Agreement;
- (ii) any court or third-party approvals necessary for New Borrower to enter into this Agreement have been obtained;
- (iii) the entities and/or persons executing this Agreement on behalf of New Borrower are duly authorized to execute and deliver this Agreement;
- (iv) this Agreement and the Loan Documents are in full force and effect and the transactions contemplated therein constitute valid and binding obligations of New Borrower enforceable by Lender in accordance with their terms and have not been modified either orally or in writing;
- (v) New Borrower's mailing address for all correspondence and notice is Hill Land Co., L.L.C., 14889 Anderson Road, Klamath Falls, OR 97603;

(vi) no Event of Default (as defined in the Mortgage) exists or any event, which, as a result of the passage of time or the expiration of any cure period would constitute an Event of Default;

(vii) all representations and warranties in the Warranty Deed Agreement are true and correct;

(viii) all representations and warranties in the Loan Documents are restated as of the date of this Agreement as if the same had been made and executed by New Borrower;

(ix) all representations and warranties referred to herein shall be true as of the date of this Agreement and Closing and shall survive Closing; and

(x) New Borrower is the owner of the Property and all other real and personal property serving as collateral for the Loan pursuant to the Loan Documents.

10. FURTHER ASSURANCES. New Borrower agrees to do any act or execute any additional documents requested by Lender as may reasonably be required by Lender to effectuate the purposes of this Agreement or to perfect or retain its perfected security interest in the Property or the first-lien priority of any such security interest.

11. INUREMENT; NO MODIFICATION OF WARRANTY DEED AGREEMENT. Subject to the qualification contained in Section 5 above, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors in interest and permitted assigns.

12. GOVERNING LAW/SEVERABILITY. This Agreement shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the State of Oregon. In the event one or more provisions of this Agreement shall be invalid, illegal or unenforceable, the validity or enforceability of the remaining provisions shall not in any way be affected.

13. NO LEGAL RESTRICTIONS ON PERFORMANCE. The execution and delivery of this Agreement and compliance with the provisions hereof, will not conflict with, or constitute a breach of or a default under any agreement or other instrument to which New Borrower or Original Borrower is a party or by which it is bound.

14. MODIFICATIONS. Neither this Agreement, nor any term or provision hereof, may be changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, discharge or termination is sought.

15. RELEASE AND WAIVER OF CLAIMS. In consideration of Lender's agreement to enter into this Agreement, Original Borrower, and New Borrower hereby agree as follows:

A. General Release and Waiver of Claims. New Borrower hereby

release and forever discharge Lender and its successors, assigns, partners, directors, officers, agents, attorneys, administrators, trustees, subsidiaries, affiliates, beneficiaries, shareholders, representatives, agents, servants and employees from any and all rights, proceedings, agreements, contracts, judgments, debts, costs, expenses, promises, duties, claims, demands, cross-actions, controversies, causes of action, damages, rights, liabilities and obligations, at law or in equity whatsoever, known or unknown, suspected or unsuspected, choate or inchoate, whether past, present or future, now held, owned or possessed by Original Borrower or New Borrower, or which Original Borrower or New Borrower may hereafter hold or claim to hold from the beginning of time to the date of this Agreement under common law or statutory right, known or unknown, arising, directly or indirectly, proximately or remotely, out of the Property, the Loan or any of the Loan Documents or any of the documents, instruments or any other transactions relating thereto or the transactions contemplated thereby including, without limitation, any and all rights, proceedings, agreements, contracts, judgments, debts, expenses, promises, duties, claims, demands, cross-actions, controversies, causes of action, damages, rights, liability and obligations whether based upon tort, fraud, breach of any duty of fair dealing, breach of confidence, undue influence, duress, economic coercion, conflict of interest, negligence, bad faith, intentional or negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or prospective business advantage, breach of contract, deceptive trade practices, libel, slander, defamation, conspiracy or any claim for wrongfully accelerating the Note or wrongfully attempting to foreclose on any collateral relating to the Note, contract or usury, but only to the extent that the foregoing arise in connection with events which occurred prior to the date of this Agreement (collectively, the "Released Claims"). Without limiting the generality of the foregoing, this release shall include the following matters: (i) the origination and servicing of the Loan by Lender; (ii) all aspects of this Agreement, the Loan Documents and the negotiations between or on behalf of New Borrower and/or Original Borrower and Lender and the demands and requests by Lender of New Borrower concerning this Agreement and the other Loan Documents, including, but not limited to, all meetings, telephone calls, correspondence and/or other contacts among or on behalf of New Borrower and Lender incident to the attempts of said parties to reach an agreement, or in connection with this Agreement or the Loan Documents and the attempt(s) of Lender to collect the Note, and (iii) the exercise by Lender of its rights under any of the Loan Documents or any of its rights under this Agreement, any document executed contemporaneously herewith or the Loan Documents.

This release is intended to release all liability of any character claimed for damages, of any type or nature, for injunctive or other relief, for attorneys' fees, interest or any other liability whatsoever, whether statutory, or contractual or tort in character, or of any other nature or character, now or henceforth in any way related to any and all matters and dealings of any nature whatsoever asserted or assertable by or on behalf of New Borrower and/or Original Borrower against Lender including, without limitation, any loss, cost or damage in connection with, or based upon, any breach of fiduciary duty, breach of any duty of fair dealing or good faith, breach of confidence, breach of funding commitment, breach of any other duty, breach of any statutory right, fraud, usury, undue influence, duress, economic coercion, conflict of interest, negligence, bad faith, malpractice, violations of the Racketeer Influenced and Corrupt Organizations Act, intentional or negligent infliction of mental distress, tortious interference with corporate or other governance or prospective

business advantage, breach of contract, deceptive trade practices, libel, slander, defamation, conspiracy or any other cause of action, but only to the extent that the foregoing arise in connection with events which occurred prior to the date of execution hereof.

New Borrower understands and agrees that this is a full, final and complete release and agree that this release may be pleaded as an absolute and final bar to any or all suit or suits pending or which may thereafter be filed or prosecuted by New Borrower, or anyone claiming by, through or under New Borrower or Original Borrower, in respect of any of the matters released hereby, and that no recovery on account of the matters described herein may hereafter be had from anyone whomsoever, and that the consideration given for this release is no admission of liability and that neither New Borrower, nor those claiming under it will ever claim that it is.

B. Releases Binding on Affiliates of New Borrower. The provisions, waivers and releases set forth are binding upon New Borrower and its respective predecessors, agents, employees, representatives, officers, directors, general partners, limited partners, joint shareholders, beneficiaries, trustees, administrators, subsidiaries, affiliates, employees, servants and attorneys.

16. FINANCIAL INFORMATION. In accordance with the applicable provisions of the Loan Documents and the New Guaranty, New Borrower shall provide Lender with such financial or other information concerning its and each of Guarantor's affairs and properties as Lender may request.

17. NOTICES. All notices to Lender or New Borrower in connection with this Agreement shall be in writing and shall be addressed to the intended recipient thereof at its address as set forth below or in the Loan Documents (or at such other address as such party may designate in writing from time to time by notice given to New Borrower or Lender). Additionally, the Loan Documents are revised to include New Borrower's address: 14889 Anderson Road, Klamath Falls, OR 97603. All notices given to any party of this transaction shall be deemed effectively given (a) upon personal delivery of any such notice to the premises of the intended recipient as required above or as most recently designated by such intended recipient as provided herein, or (b) two (2) business days following the deposit of an envelope containing such notice in the United States mail, sent by certified mail, postage pre-paid and addressed to the intended recipient as set forth above or, as most recently designated, by the intended recipients as provided herein.

18. NEW BORROWER'S SPECIFIC RATIFICATION, REAFFIRMATION AND CONFIRMATION OF LOAN DOCUMENTS. New Borrower has read and reviewed and agrees to perform each and every obligation under the Loan Documents in accordance with their respective terms and conditions. It is expressly understood that Lender will hereafter require performance of any and all terms, conditions, or requirements of all documents and agreements executed by New Borrower relating to the Loan Documents. New Borrower acknowledges and agrees that any performance or non-performance of the Loan Documents prior to the Effective Date does not affect or diminish in any way the requirement of compliance with the Loan Documents. New Borrower further acknowledges and agrees that the validity or priority of the liens and security interests evidenced by any of the Security Documents are not diminished in any way by this Agreement and that the

Mortgage continues to be a first and superior mortgage lien and security interest in and on the Property. The agreements and obligations of New Borrower under the Loan Documents are hereby ratified, brought forward, renewed and extended until the Loan shall have been fully paid and discharged. New Borrower hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that the Loan Documents represent the valid, binding and enforceable obligations of New Borrower. Lender and New Borrower hereby agree that this Agreement and the Loan Documents are in full force and effect so that nothing contained herein shall be construed as modifying in any manner the Loan Documents. New Borrower specifically extends the liens and security interests of the Security Documents and agrees that the Security Documents (i) shall cover the Loan, and (ii) shall continue to be in full force and effect until the Loan is paid in full and all other obligations under the Loan Documents are fully performed and satisfied. New Borrower hereby agrees that this Agreement in no way acts as a diminishment, impairment, release or relinquishment of the liens, power, title, security interest and rights securing or guaranteeing payment of the Loan. The Security Documents are hereby renewed, extended, ratified, confirmed and carried forward by New Borrower in all respects. Nothing contained herein shall be construed as a waiver of any rights, remedies, or recourse available to Lender with respect to any default by New Borrower under this Agreement or any of the Loan Documents, as applicable. Except as otherwise provided herein, Lender hereby preserves all of its rights against New Borrower, and all collateral, including, without limitation, the Property.

19. NO JURY TRIAL. NEW BORROWER AND LENDER HEREBY SEVERALLY, VOLUNTARILY, KNOWINGLY AND INTELLIGENTLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING UNDER THE NOTE, MORTGAGE OR ANY OTHER LOAN DOCUMENT OR CONCERNING THE OBLIGATIONS UNDER THE LOAN DOCUMENTS AND/OR WITH REGARD TO THE PROPERTY OR PERTAINING TO ANY TRANSACTION RELATED TO OR CONTEMPLATED IN THE MORTGAGE, REGARDLESS OF WHETHER SUCH ACTION OR PROCEEDING CONCERNS ANY CONTRACTUAL OR TORTIOUS OR OTHER CLAIM, NEW BORROWER ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO LENDER PERMITTING THE LOAN ASSUMPTION DESCRIBED HEREIN, THAT LENDER WOULD NOT HAVE CONSENTED TO THE ASSUMPTION AND THE EXTENSION OF CREDIT TO NEW BORROWER WITHOUT THIS JURY TRIAL WAIVER, AND NEW BORROWER HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THE MORTGAGE AND UNDERSTANDS THE LEGAL EFFECT OF THIS JURY TRIAL WAIVER.

20. BANKRUPTCY OF NEW BORROWER. New Borrower, as a material inducement to Lender to enter into this Agreement, and in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, by its execution hereof covenants and agrees that in the event New Borrower shall (i) file any petition with any bankruptcy court or be the subject of any petition under the United States Bankruptcy Code (11 U.S.C. §101 et seq., the "Code"), (ii) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, (iii) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator, or (iv) be

the subject of any order, judgment, or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, Lender shall thereupon be entitled, and New Borrower irrevocably consents, to the entry of an order by a bankruptcy court granting to Lender relief from any automatic stay imposed by Section 362 of the Code, or otherwise, on or against the exercise of the rights and remedies otherwise available to Lender as provided in the Loan Documents, this Agreement or as otherwise provided by law or in equity, and New Borrower hereby irrevocably waives its right to object to, attempt to enjoin or otherwise interfere with such relief and the exercise and enforcement by Lender of its rights and remedies following entry of such order. Without limiting the generality of the immediately preceding sentence, New Borrower agrees that Lender will be entitled to and hereby consents to immediate relief from the automatic stay imposed by the Code to allow Lender to take any and all actions necessary, desirable or appropriate to enforce any rights Lender may have under the Loan Documents, including, but not limited to, the right to possession of the Property, collection of rents, and/or the commencement or continuation of an action to foreclose Lender's liens and security interests. New Borrower further agrees that the filing of any petition for relief under the Code which postpones, prevents, delays, or otherwise hinders Lender's efforts to collect the amounts due under the Note or to liquidate any of the collateral therefor shall be deemed to have been filed in bad faith and, therefore, shall be subject to prompt dismissal or conversion to a case under Chapter 7 of the Code upon motion therefor by Lender. Further, New Borrower agrees that it will not seek, apply for or cause the entry of any order enjoining, staying, or otherwise prohibiting or interfering with Lender's obtaining an order granting relief from the automatic stay and enforcement of any rights which Lender may have under the Loan Documents, including, but not limited to, Lender's right to possession of the Property, collection of rents and/or the commencement or continuation of an action to foreclose Lender's liens and security interests under the Loan Documents.

21. COMPLIANCE WITH INTEREST LAW. It is the intention of New Borrower and Lender to conform strictly to the Interest Law (herein defined). Accordingly, New Borrower and Lender agree that any provisions contained in the Note or in any of the other Loan Documents to the contrary notwithstanding, the aggregate of all interest, or consideration constituting interest under the Interest Law, that is taken, reserved, contracted for, charged or received under the Note or under any of the aforesaid documents or otherwise in connection with this loan transaction shall under no circumstances exceed the maximum amount of interest allowed by the Interest Law. If any excess interest is provided for in the Note or in any of the other Loan Documents, then (i) the provisions of this paragraph shall govern and control, (ii) neither New Borrower nor New Borrower's successors or assigns shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest allowed by the Interest Law, (iii) any such excess shall be deemed a mistake and canceled automatically and, if theretofore paid, shall be credited against the indebtedness (or if the Note shall have been paid in full, refunded to New Borrower), and (iv) the effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest (as hereinafter defined). To the extent permitted by the Interest Law, all sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the indebtedness shall be amortized, prorated, allocated and spread throughout the full term of the Note. For purposes of the

Note, "Interest Law" shall mean any present or future law of the State of Oregon (meaning the internal laws of said state and not the laws of said state relating to choice of law), the United States of America or any other jurisdiction, which has application to the interest and other charges under the Note or under any of the other Loan Documents and to the classification of New Borrower under such law. For purposes of the Note, the "Maximum Legal Rate of Interest" shall mean the maximum effective contract rate of interest that Lender may from time to time, by agreement with the New Borrower, legally charge New Borrower and in regard to which New Borrower would be prevented from successfully raising the claim or defense of usury under the Interest Law as now or hereafter construed by courts of appropriate jurisdiction.

22. TERMS GENERALLY. (i) Each definition contained in this or any other Article of this Agreement shall apply equally to both the singular and plural form of the term defined. Each pronoun shall include the masculine, the feminine and neuter form, which ever is appropriate to the context. The words "included", "includes" and "including" shall each be deemed to be followed by the phrase, "without limitation." The words, "herein", "hereby", "hereof", and "hereunder" shall each be deemed to refer to this entire Agreement and not to any particular Article or Section hereof. Notwithstanding the foregoing, if any law is amended so as to broaden the meaning of any term defined in it, such broader meaning shall apply subsequent to the effective date of such amendment. Where a defined term derives its meaning from a statutory reference, any regulatory definition is broader than the statutory reference and any reference or citation to a statute or regulation shall be deemed to include any amendments to that statute or regulation and judicial and administrative interpretations of it, and (ii) the following terms shall have the respective meanings ascribed to them in the Uniform Commercial Code as enacted and in force in the State of Oregon:

accessions, accounts, continuation statement, equipment,
financing statement, fixtures, general intangibles, personal
property, proceeds, security interest and security agreement

23. SECURITIES ACT OF 1933. Neither New Borrower nor any agent acting for New Borrower has offered the Note or any similar obligation of New Borrower for sale to or solicited any offers to buy the Note or any similar obligation of New Borrower from any person or party other than Lender, and neither New Borrower nor any agent acting for New Borrower will take any action which would subject the sale of the Note to the provisions of Section 5 of the Securities Act of 1933, as amended.

24. DOCUMENTATION REQUIREMENTS, SUFFICIENCY OF CONSENTS AND APPROVALS. Each written instrument required by this Agreement or any of the other Loan Documents to be furnished to Lender shall be duly executed by the person or party specified (or where no particular person or party is specified, by such person or party as Lender shall require), duly acknowledged where required by Lender and, in the case of affidavits and similar sworn instruments, duly sworn to and subscribed before a notary public duly authorized to act in the premises by governmental authority; shall be furnished to Lender in one or more copies as required by Lender; and shall in all respects be in form and substance satisfactory to Lender and its legal counsel in their sole and absolute discretion. All title policies, surveys, appraisals, and other evidence, information or documentation required by Lender shall be in form and substance reasonably satisfactory to Lender and its legal counsel in their sole and absolute discretion.

25. EVIDENTIARY REQUIREMENTS. Where evidence of the existence or non-existence of any circumstance or condition is required by this Agreement or any of the other Loan Documents to be furnished to Lender, such evidence shall in all respects be in form and substance reasonably satisfactory to Lender, and the duty to furnish such evidence shall not be considered satisfied until Lender shall have acknowledged in writing that it is satisfied therewith.

26. NUMBER, ORDER AND CAPTIONS IMMATERIAL. The numbering, order and captions or headings of the several articles, sections and paragraphs of this Agreement, the Note and the other Loan Documents are for convenience of reference only and shall not be considered in construing such instruments.

27. ENTIRE AGREEMENT. THIS AGREEMENT AND THE LOAN DOCUMENTS CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES HERETO WITH RESPECT TO THE ASSUMPTION OF THE LOAN BY NEW BORROWER AND LENDER'S CONSENT TO THE TRANSFER OF THE PROPERTY TO NEW BORROWER, AND SUPERSEDES ANY PRIOR WRITTEN OR ORAL AGREEMENTS BETWEEN THEM CONCERNING SAID SUBJECT MATTER. THERE ARE NO REPRESENTATIONS, AGREEMENTS, ARRANGEMENTS, OR UNDERSTANDINGS, ORAL OR WRITTEN, BETWEEN AND/OR AMONG THE PARTIES HERETO, RELATING TO THE SUBJECT MATTER CONTAINED IN THIS AGREEMENT, WHICH ARE NOT FULLY EXPRESSED HEREIN OR IN THE LOAN DOCUMENTS. THIS AGREEMENT MAY BE EXECUTED AND ACKNOWLEDGED IN MULTIPLE COUNTERPARTS FOR THE CONVENIENCE OF THE PARTIES, WHICH TOGETHER SHALL CONSTITUTE ONE AGREEMENT, AND THE COUNTERPART SIGNATURE AND ACKNOWLEDGMENT PAGES MAY BE DETACHED FROM THE VARIOUS COUNTERPARTS AND ATTACHED TO ONE COPY OF THIS AGREEMENT TO SIMPLIFY THE RECORDATION OF THIS AGREEMENT. THE REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THIS AGREEMENT SHALL CONTINUE AND SURVIVE THE TRANSFER OF THE PROPERTY TO NEW BORROWER.

Dated as of October 5, 2001

SIGNATURE PAGE 1 OF 2 -

CONSENT AND ASSUMPTION AGREEMENT WITH RELEASE

NEW BORROWER:

HILL LAND CO., L.L.C.,
an Oregon limited liability company

By: _____
Dale R. Hill, Member

By: _____
David D. Hill, Member

By: _____
William F. Hill, Member

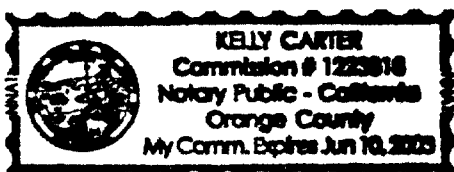
By: Dean F. Hill
Dean F. Hill, Member

By: _____
Laura L. Brant, Member

State of California)
County of _____) ss.

On this 5 day of October, 2001, before me personally
appeared Dean F. Hill (name of signer), whose identity was proved to
me on the basis of satisfactory evidence to be the person whose name is subscribed to
this document, and who acknowledged that ~~he~~^{she} signed the above/attached
document.

(Seal)



Kelly Carter
Notary Public

My commission expires June 10, 2003

SIGNATURE PAGE 1 OF 2 -

CONSENT AND ASSUMPTION AGREEMENT WITH RELEASE

NEW BORROWER:

HILL LAND CO., L.L.C.,
an Oregon limited liability companyBy: *Dale R. Hill*
Dale R. Hill, MemberBy: *David D. Hill*
David D. Hill, MemberBy: *William F. Hill*
William F. Hill, MemberBy: _____
Dean F. Hill, MemberBy: *Laura L. Brant*
Laura L. Brant, MemberState of Oregon)
County of Klamath) ss.

On this 8th day of October, 2001, before me personally
 appeared Dale R. Hill and David (name of signer), whose identity was proved to
 me on the basis of satisfactory evidence to be the person whose name is subscribed to
 this document, and who acknowledged that ~~he/she~~ ^{they} signed the above/attached
 document.



Marsha Cobine
 Notary Public for Oregon
 My commission expires 11-7-03

STATE OF OREGON,

County of Klamath

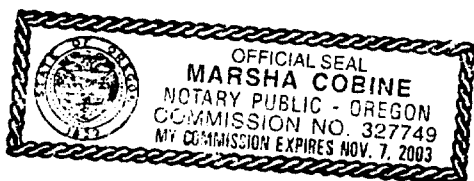
} ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 9th day of October, 2001, ~~xxx~~,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named William F. Hill

known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.



Marsha Cobine
Notary Public for Oregon.
My Commission expires 11-7-03

STATE OF OREGON,

County of Klamath

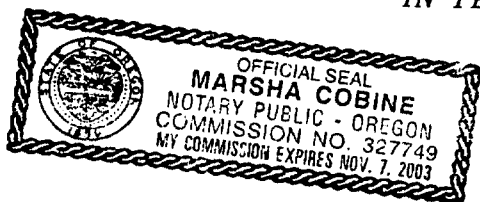
} ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 5th day of October, 2001, ~~xxx~~,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named Laura L. Brant

known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that she executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.



Marsha Cobine
Notary Public for Oregon.
My Commission expires 11-7-03

SIGNATURE PAGE 2 OF 2 -
 CONSENT AND ASSUMPTION AGREEMENT WITH RELEASE

LENDER:

BANK OF AMERICA, N.A.

By: *Van Atkins*
 Name: VAN ATKINS
 Its: VICE PRESIDENT

STATE OF CALIFORNIA)
)
 COUNTY OF Los Angeles ss.

On 10/24/01 before me, Jerry Weiss, a Notary Public for the State of California, personally appeared Van Atkins personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

J. Weiss
 Signature (Seal)

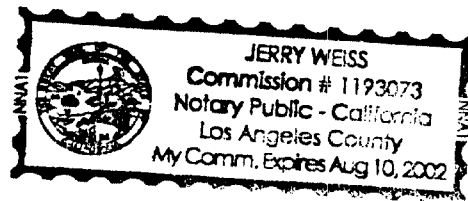


EXHIBIT A

LEGAL DESCRIPTION

The following described real property situated in Klamath County, Oregon:

All in Township 40 South, Range 10 East of the Willamette Meridian.

Section 10: W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 22: E $\frac{1}{4}$ NE $\frac{1}{4}$

Section 23: S $\frac{1}{4}$ SE $\frac{1}{4}$

Section 24: W $\frac{1}{4}$ W $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 26: NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, EXCEPTING therefrom a parcel of land situated in the SE $\frac{1}{4}$ of said Section 26, being more particularly described as follows: Beginning at a 1/2 inch iron pin at a point on curve on the Northerly right-of-way line of Hill Road, a county road, from which the Southeast corner of said Section 26 bears S. 50°27'46" E., 2887.00 feet; thence along the arc of a 3789.72 feet radius curve to the right (delta=00°40'56"; long chord= N.63°22'48" W. 55.05 feet) 55.05 feet to a 5/8 inch iron pin at the end of curve; thence N. 62°57'50" W. continuing along said right of way line, 296.56 feet to a 5/8 inch iron pin at the beginning of a curve to the right; thence along the arc of a 447.47 feet curve to the right (delta=18°33'40"; long chord=N. 53°41'00" W., 144.22 feet) 144.96 feet to a 5/8 inch iron pin at the end of curve; thence N. 44°24'10" W. continuing along said right of way line, 25.95 feet to a 1/2 inch iron pin; thence leaving said right of way line N. 25°04'36" East 301.49 feet to a 1/2 inch iron pin, thence S. 55°08'15" E. 187.54 feet to a 1/2 inch iron pin; thence S. 21°09'20" E., 460.38 feet to the point of beginning containing 2.49 acres more or less.

Section 35: NE $\frac{1}{4}$, E $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ Excepting therefrom the West 3 acres of the SE $\frac{1}{4}$ NW $\frac{1}{4}$. EXCEPTING THEREFROM all that portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ described as follows: Beginning at a point on the East boundary of Section 35, Township and Range aforesaid, from which the Northeast corner of Section 35, Township and Range aforesaid, bears N. 0°21' E. 286.7 feet distant, and running thence S. 0°21' W. 1033.5 feet; thence West 20.1 feet to a point on the center line of the No. 7 Drain of the Klamath Project; thence along the center line of said No. 7 Drain N. 35°20' W. 19.5 feet; thence N. 9°43' W. 122.8 feet; thence N. 27°56' W. 365.1 feet; thence N. 69°49' W. 133.0 feet; thence leaving the center line of the said No. 7 Drain and running N. 31°32' E. 619.7 feet; thence East 30.7 feet to the point of beginning. SAVING AND EXCEPTING that portion of the above described parcel of land now occupied by the right of way of the No. 7 Drain of the Klamath Project.

ALSO EXCEPTING all that portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 35, Township 40 South, Range 10 E.W.M., in the County of Klamath State of Oregon, described as follows: Beginning at the Northeast corner of Section 35, Township and Range aforesaid running thence S. 0°21' W. 286.7 feet along the East boundary of said Section 35, Township and Range aforesaid; thence West 30.7 feet; thence S. 31°32' W. 573.8 feet; thence N. 69°49' W. 160.1 feet; thence N. 33°15' E. 629.4 feet; thence N. 0°3' E. 192.0 feet to the North boundary of said Section 35, Township and Range aforesaid; thence N. 89°57' E. 143.0 feet along the North boundary of said Section 35, Township and Range aforesaid to the point of beginning.

EXCEPTING THEREFROM any portion lying within the right of way of Hill Road.