

NOTE 92709-KR

2012-005370

Klamath County, Oregon



00118397201200053700100109

After recording, return to:

Royce Ann Simmons
Harvest Capital Company
690 NW First Ave., Suite 101
Canby, OR 97013

05/17/2012 12:06:15 PM

Fee: \$82.00

Loan Nos. 20080104

CONSENT TO TRANSFER AND ASSUMPTION AGREEMENT

This CONSENT TO TRANSFER AND ASSUMPTION AGREEMENT (this "**Agreement**") is made as of May 15, 2012 by and among LAWRENCE (a.k.a. Larry) C. JESPERSEN and MAUREEN V. JESPERSEN, husband and wife, LEONARD K. JESPERSEN and VICKY L. JESPERSEN, husband and wife, JACEN JESPERSEN and JULIE JESPERSEN, husband and wife, and KENNETH G. HOLMES and BETHANY N. HOLMES, husband and wife (collectively, "**Original Borrowers**"), JESPERSEN SWAN LAKE, INC., an Oregon corporation, ("**Assuming Borrower**") and U.S. Bank National Association as Custodian/Trustee for Federal Agricultural Mortgage Corporation Programs ("**Lender**").

RECITALS

A. Jespersen-Edgewood, Inc., an Oregon corporation, Lawrence (a.k.a. Larry) C. Jespersen and Maureen V. Jespersen, husband and wife, Leonard K. Jespersen and Vicky L. Jespersen, husband and wife, Jacen Jespersen and Julie Jespersen, husband and wife, and Kenneth G. Holmes and Bethany N. Holmes, husband and wife ("**2008 Borrower**") obtained a loan in the original principal amount of \$450,000 (the "**Loan**") from Harvest Capital Company ("**Harvest**"). The Loan is evidenced by a Promissory Note dated April 7, 2008 in the original principal amount of \$450,000 made by 2008 Borrower to the order of Harvest (the "**Note**"). The Note and Loan is secured by, among other things:

(i) Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated April 7, 2008 from 2008 Borrower to Harvest, recorded April 10, 2008 in Volume 2008, page 005288, Microfilm Records of Klamath County, Oregon (the "**Mortgage**");

(ii) A UCC-1 Financing Statement from 2008 Borrower, as debtor, to Harvest, as secured party, filed with the Oregon Secretary of State as No. 7932759 (the "**Financing Statement**").

B. The Mortgage and Financing Statement encumber the real property in Klamath County, Oregon described on attached Exhibit A (the "**Land**") and certain related personal property and rights (with the Land, the "**Property**"). The Note, Mortgage, Financing Statement, Unsecured Environmental Indemnity Agreement and other agreements executed in connection with the Loan are hereafter collectively referred to as the "**Loan Documents**." The Mortgage, Financing Statement and any other documents executed to secure the Loan are hereafter collectively referred to as the "**Security Documents**."

C. Pursuant to an Assignment of the Note and Mortgage dated March 2, 2011 and recorded March 9, 2011, Harvest assigned the Loan and Loan Documents to Lender.

822AW

D. Jespersen Edgewood, Inc., one of the 2008 Borrowers, has been dissolved, and has transferred its interest in the Property to Assuming Borrower (the "Conveyance").

The Original Borrower and the Assuming Borrower (herein, collectively, the "**Borrowers**") have requested that the Lender consent to the Conveyance. Lender has agreed to provide such consent, but only on the terms, covenants and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of Lender's consent to the Conveyance, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties do hereby agree as follows:

1. Confirmation of Loan. All of the Loan Documents are hereby confirmed by the Borrowers as being valid, in full force and effect and each of them acknowledges and agrees that (a) it has no defenses or offsets to any of its obligations thereunder and (b) Lender has performed all of its obligations to this date.

2. Borrowers' Assumption. Assuming Borrower hereby assumes and agrees to pay the Note and the Loan, and agree for the benefit of the Lender and its successors and assigns, to be bound by, observe and perform, all past (to the extent unsatisfied), present and future liabilities, terms, provisions, covenants and obligations of the Original Borrower under the Note and the other Loan Documents, including, without limitation, all indemnities and guarantees. Borrowers agree that they are bound by all of such terms and provisions, and further agree to promptly pay all such liabilities and to promptly observe and perform all such covenants and obligations, with the same force and effect as if the Assuming Borrower had originally executed and delivered such Loan Documents.

3. Continuing Liability of Original Borrower. Nothing herein releases Original Borrower from its personal liability under the Loan Documents. The Original Borrower hereby acknowledges and affirms its continuing personal liability under the Loan Documents for all obligations thereunder.

4. Consent to Assignment and Assumption. The Lender hereby consents to the Conveyance and to the assumption by the Assuming Borrower of all of the liabilities of the Original Borrower in and under the Loan and the Note and the other Loan Documents as set forth in Section 2 above, subject to the conditions contained herein.

5. Release of Lender. As part of the consideration for this Agreement, effective as of the date of this Agreement, the Borrowers hereby each acknowledge that they have no claims against the Lender or Harvest in connection with the Loans and release the Lender and Harvest from, and covenant not to bring any suit against the Lender or Harvest for, any such claim based on any facts existing prior to the date of this Agreement. Said releasing parties acknowledge that this release extends to known and unknown claims. Such parties hereby respectively agree to assume the risk of any and all unknown, unanticipated or misunderstood defenses, claims, causes of action, contracts, liabilities, indebtedness or obligations, which are hereby released in favor of the Lender and Harvest.

6. Obligations Secured. The Security Documents shall continue to secure the entire principal and interest of the Notes, and shall continue to secure the other obligations stated in the Security Documents. The Assuming Borrower acknowledges that it acquired the Property subject to the Security Documents and hereby grants to the Lender as additional security for the Loan a security

interest in the personal property described in the Mortgage, and the proceeds thereof, and all replacements, accessions and additions thereto as described in the Mortgage. Said security interest and the Lender's rights with respect thereto shall be governed by the terms of the Mortgage, which for such purpose are incorporated herein by this reference, and shall be perfected by the filing by the Lender of an amendment to the existing Financing Statement, and/or at Lender's election, a new financing statement in which Assuming Borrower is identified as debtor. The Mortgage constitutes a fixture filing under the Uniform Commercial Code and for this purpose the following information regarding Assuming Borrower is provided:

Jespersen Swan Lake, Inc.

State of Organization: Oregon
Organization No.: 730889-90
Type of Organization: Corporation

7. Waiver. Borrowers hereby waive the right, in the event of a default under or breach of any of the Loan Documents, to require the Lender to proceed against any particular Borrower or to pursue any other remedy in the Lender's power.

8. Representations and Warranties. As of the date of this Agreement, Borrowers hereby jointly and severally represent and warrant to the Lender as follows:

(a) No Borrower is insolvent as of the date of this Agreement. None of the Borrowers will become insolvent as a result of the obligations incurred and transfers made in connection with the Conveyances and the assumption of the Loans as provided herein. None of the Borrowers is, or is about to be, engaged in a business or transaction for which such Borrower will have an unreasonably small amount of capital after the closing of the transfer and the assumption. None of the Borrowers have incurred, or contemplates incurring, debts beyond such Borrower's ability to pay as such debts become due. Assuming Borrower has received at least "reasonably equivalent value" (as such phrase is used in Section 548 of the Bankruptcy Code Act and in comparable provisions of other applicable law) and more than sufficient consideration to support their obligations herein.

(b) Execution, delivery and performance of this Agreement and any and all other Loan Documents or other documents executed and/or delivered in connection herewith have been authorized by each of the Borrowers.

(c) No default or event of default under any of the Loan Documents has occurred that remains uncured, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute a default or an event of default under any of the Loan Documents.

(d) All of the warranties and representations contained in the Loan Documents are true, correct, complete and accurate on the date of this Agreement, except as may be amended or changed due to this Agreement.

(e) The execution and delivery of this Agreement, and performance of the Loan Documents do not and will not violate or contravene in any way any indenture, agreement or any other instrument to which Assuming Borrower may be bound, or be in conflict with, result in a breach of or constitute a default under any such indenture, agreement or other instrument or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Assuming Borrower, and no action or approval with respect thereto by any third person is required.

(f) Assuming Borrower has no present intent to (i) file any voluntary petition under any Chapter of the United States Bankruptcy Code, or in any manner to seek relief, protection, reorganization, liquidation, dissolution or similar relief for debtors under any local, state, federal or other insolvency laws or laws providing for relief of debtors, or in equity, or directly or indirectly to file any such petition or to seek any such relief, either at the present time or at any time hereafter; or (ii) directly or indirectly to cause any involuntary petition under any Chapter of the United States Bankruptcy Code to be filed against Assuming Borrower or directly or indirectly to cause to become the subject of any proceedings pursuant to any local, state, federal or other insolvency laws or laws providing for the relief of debtors, or in equity, either at the present time, or at any time hereafter; or (iii) directly or indirectly to cause any collateral securing the Loan, or any portion thereof or any interest of Assuming Borrower therein, to become the property of any bankruptcy estate or the subject of any local, state, federal or other bankruptcy, dissolution, liquidation or insolvency proceedings, or in equity, either at the present time. Assuming Borrower agrees that the filing of any such petition or the seeking of any such relief by Assuming Borrower or the participation of Assuming Borrower in such filing or seeking of such relief, whether directly or indirectly, for the purpose in whole or in part of adversely affecting Lender's rights hereunder, would be without merit and in bad faith.

9. Notices. Except as otherwise expressly provided herein, any notice, consent, approval, request, demand, document or other communication which any party is required or may desire to give, deliver or make to any other party pursuant to this letter shall be made in the manner required by the Security Documents.

10. Integration. All rights, remedies, powers and interests provided for the Lender herein are in addition to the rights, remedies, powers and interests provided for the Lender in the Loan Documents, the terms and provisions of which are incorporated herein by this reference and made a part hereof. If and to the extent that any term or provision hereof is inconsistent with any term or provision of the Loan Documents, the term or provision of this Agreement shall prevail.

11. Entire Agreement; Amendments. This Agreement and the other Loan Documents contain the entire agreement between the Borrowers and the Lender with respect to the Loan Documents, and all prior negotiations, commitments, understandings and agreements are superseded by this Agreement and the Loan Documents. No amendment, modification, supplement, extension, termination or waiver of any provision of this Agreement, any Loan Document, or any other agreement executed in connection with any of the foregoing shall be effective unless in writing and signed by the Lender.


12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

13. Counterparts. This Agreement may be executed in two or more counterparts, all of which shall constitute but one and the same instrument. The signature pages of exact copies of this Agreement may be attached to one copy to form one complete document. Each executed counterpart of this Agreement shall be deemed an original and may be recorded in any county in which any portion of the Property is located.


14. Consent Limited; No Waiver. The Lender's consent in this Agreement is limited to this transaction only, and this Agreement shall not constitute a waiver or modification of any terms, provisions or requirements of the Loan Documents in any respect except as herein specifically set forth or as otherwise expressly agreed to by the Lender in writing, including any conditions to or fees which may be imposed for any future transfer or conveyance of the Property or any interest in the Borrowers.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

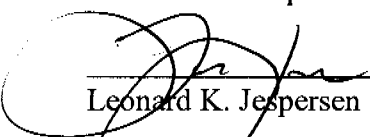
ORIGINAL BORROWERS:



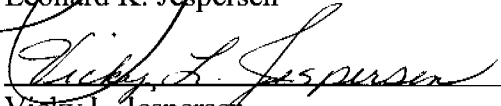
Lawrence C. Jespersen




Maureen V. Jespersen



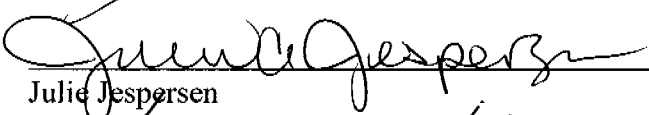
Leonard K. Jespersen



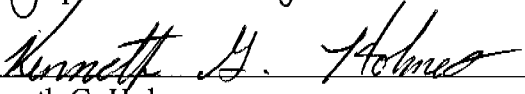
Vicky L. Jespersen



Jacen Jespersen



Julie Jespersen



Kenneth G. Holmes



Bethany N. Holmes

ASSUMING BORROWER:

JESPERSEN SWAN LAKE, INC.
an Oregon corporation

By: _____

Leonard K. Jespersen, President

LENDER:

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

By: Harvest Capital Company,
an Oregon corporation
its Attorney in Fact

By: _____

Royce Ann Simmons, Vice President

ACKNOWLEDGMENTS

STATE OF OREGON

COUNTY OF

Klamath

) ss.

This instrument was acknowledged before me on May 15, 2012, by Leonard K. Jespersen as President of Jespersen Swan Lake, Inc., an Oregon corporation.



Kristi L. Redd

Notary Public

My commission expires: 11/16/2015

Commission No.: 462859

STATE OF OREGON

COUNTY OF

Klamath

) ss.

This instrument was acknowledged before me on May 15, 2012, by Lawrence C. Jespersen.



Kristi L. Redd

Notary Public

My commission expires: 11/16/2015

Commission No.: 462859

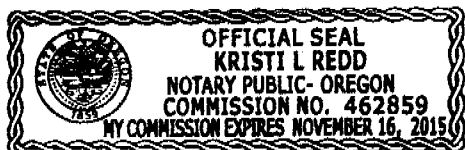
STATE OF OREGON

COUNTY OF

Klamath

) ss.

This instrument was acknowledged before me on May 15, 2012, by Maureen V. Jespersen.



Kristi L. Redd

Notary Public

My commission expires: 11/16/2015

Commission No.: 462859

STATE OF OREGON

COUNTY OF

Klamath

) ss.

This instrument was acknowledged before me on May 15, 2012, by Leonard K. Jespersen.



Kristi L. Redd

Notary Public

My commission expires: 11/16/2015

Commission No.: 462859

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me on May 15, 2012, by Vicky L. Jespersen.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2015
Commission No.: 462859

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me on May 15, 2012, by Jacen Jespersen.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2015
Commission No.: 462859

STATE OF OREGON)
COUNTY OF Klamath) ss.

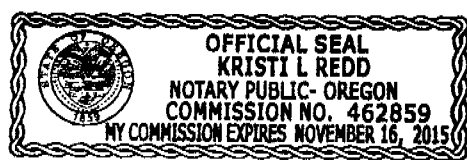
This instrument was acknowledged before me on May 15, 2012, by Julie Jespersen.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2015
Commission No.: 462859

STATE OF OREGON)
COUNTY OF Klamath) ss.

This instrument was acknowledged before me on May 15, 2012, by Kenneth G. Holmes.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2015
Commission No.: 462859

STATE OF OREGON)
COUNTY OF Klamath) ss.

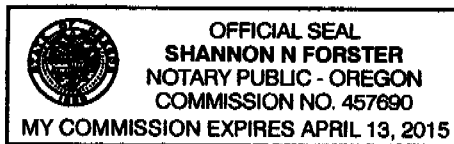
This instrument was acknowledged before me on May 15, 2012, by Bethany N. Holmes.



Kristi L. Redd
Notary Public
My commission expires: 11/16/2015
Commission No.: 462859

STATE OF Oregon)
COUNTY OF Clackamas) ss.

This instrument was acknowledged before me on May 11, 2012, by Royce Ann Simmons, Vice President of Harvest Capital Company, an Oregon corporation, the Attorney in Fact for U.S. Bank National Association as Custodian/Trustee for Federal Agricultural Mortgage Corporation Programs.



Shannon N. Forster
Notary Public
My commission expires: 4/13/2015
Commission No.: 457690

EXHIBIT A

In Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon:

The S1/2 SW1/4 of Section 4; the S1/2 SE1/4 of Section 5; the N1/2 NE1/4, SE1/4 NE1/4 and that portion of the SW1/4 NE1/4 and of the NE1/4 SE1/4 of Section 8 lying East of Swan Lake Road; the NW1/4 and that portion of the SW1/4 of Section 9 lying East of Swan Lake Road.