

From: Matt Haab <MDHaab@verospartners.com>
Sent: Friday, May 2, 2014 10:20 AM
To: Jim Fisher <Fisher@millerfisher.com>
Subject: RE: Veros Farm Loan Holding - Repayment Update

Jim,

Great question. On the Ponzi scheme front, our team has intensive monitoring controls on tracking their production, inventory and payments received along with tracking the application and approval of any crop revenue insurance claims directly with them and verifying with their agent and insurance company. We also make a couple site visits per year to each farm.

On the death spiral, there are some farms that we may and have let roll some of their prior year debt into their current year debt but only to the extent that works within their detailed, reviewed current year pro forma budget and within the security collateral constraints we have based on how much we will lend to them. Based on that then, these have always been small amounts in the \$50k to \$150k range. This year, Boyer Farms, is the only Farm doing that this year and the amount of principal that we are allowing them to "roll over" is \$130k within their total 2014 loan of \$1.2 million. If this amount was not manageable within their next year's budget then that would be one reason why we would not provide an operating loan to them the following year which is the case with a couple of farms this year based on the lower crop prices, etc.

Happy to further discuss all that with to ensure you fully understand my explanation. Thanks.

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From: Jim Fisher [mailto:Fisher@millerfisher.com]
Sent: Thursday, May 01, 2014 5:36 PM
To: Matt Haab
Subject: RE: Veros Farm Loan Holding - Repayment Update

Matt, are any of the borrowers who are expecting to pay us for 2013 out of the closings of their 2014 crop loans getting those 2014 loans from us? I want to make sure we aren't financing a Ponzi scheme for them, or a death spiral of borrowing this year to pay last year's debts instead of using the new funds to plant new crops. Jim

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From: Matt Haab [<mailto:MDHaab@verospartners.com>]
Sent: Thursday, May 01, 2014 5:11 PM
To: Matt Haab
Cc: Wealth Management Group
Subject: Veros Farm Loan Holding - Repayment Update

To the Veros Farm Loan Holding LLC Lending Group:

Please see the attached file for an update on the repayments to be made to the Lending Group related to this year's loan.

We look forward to working together with you related to this private loan investment and helping ensure this investment meets its stated objectives. If you have any questions regarding anything related to your investment please do not hesitate to contact us at any time.

Sincerely yours,

Matthew D. Haab, CFPTM, CPA



How can I help you create *Your Tomorrow Plan?*

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