

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
FEB 24 2021
Department of Water Resources
Eastern Region

Notice of Security Interest in a Water Right

and a request to be notified of a change in ownership or any proposed
or final action to amend, transfer, or otherwise modify the water right(s)

Attach pages with additional information. Incomplete forms will be returned.

1. Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
34-708B OK	34-10285 OK	stockwater	
34-709B OK	34-10286 OK	stockwater	
34-2281A OK			
34-2361A OK			
34-2316B OK	Agency Place		

2. The following **REQUIRED** information must be submitted with this form:

A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**

B) A **FEE of \$25.00 per** water right or adjudication claim.

3. Name and Mailing Address of Person or Company Holding Security Interest

USDA Farm Service Agency
725 Jensen Grove Dr. Ste. 2
Blackfoot, ID 83221

Phone 208-785-2090

Email kory.murdock@usda.gov

4. Name of Water Right Owner/Claimant(s)

Jayson and Jana Giesbrecht

5. Expiration Date of Notification Period

05/05/2050

6. Is this a Renewal of Request for Notification?

☐ YES ☒ NO

7. Signature(s) of Security Interest Holder(s)

Kory Murdock

Title, if applicable

Farm Loan Officer

For Office Use Only

Received by *JB*

Date 2/24/2021

Receipt No. E0416661

Fee \$175.-

Processed by AJ

Date

WR *JB*

Date 3/15/2021

SUPPORT DATA

FILE # 34-708B

FSA-2060

(08-03-16)

U.S. DEPARTMENT OF AGRICULTURE

Farm Service Agency

Position 5

APPLICATION FOR PARTIAL RELEASE, SUBORDINATION, OR CONSENT

PART A – BORROWER REQUEST

1. The undersigned (a) Jayson Kent Giesbrecht and Jana Grace Giesbrecht, husband and wife

("Borrower") in accordance with the terms of the security instruments now held by the United States, acting through U.S. Department of Agriculture, Farm Service Agency (called "Government") on the property, applies for:

(b) ☐ release,(c) ☐ subordination (d) _____

_____. I agree that none of the funds obtained as a result of the subordination will be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 CFR Part 12, or will adversely affect compliance with any of the environmental requirements of 7 CFR Part 799;

(e) ☒ consent to (f), change the "place of use" for 33 acres of mortgaged water rights.

2. Description of Property:

This request would change the place of use for 33 acres of water rights currently tied to the borrower's home place, which is near 4266 N 4100 W, Mackay, ID in Custer County.

3. Name of lienholder, approximate amount of each lien, including FSA in the order of lien priority:

(a) Name of lienholder	(b) Approximate amount of lien	(c) Lien priority
Idaho AgCredit, FLCA	\$ 644,760	1st
FSA	\$ 334,277	2nd
	\$	
	\$	

4. The use to be made of the property covered by this application:

alfalfa hay production

5. The anticipated proceeds or benefits from this transaction are:

No actual proceeds from the requested action.

Benefits from this action are to increase overall irrigated acres and efficiency of the irrigation system.

6. Additional considerations:

water right to be transferred will still be held as collateral in a best lien position after they are transferred to the other 33 acre parcel contiguous to the "home place"

7. Borrower proposes to use the proceeds as follows:

no actual proceeds from the requested action

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

8. Have you, or any entity members if applicable, ever been: (If "YES", provide details in Item 9)		YES	NO
(a) Convicted under any Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance within the previous 5 crop years? (See the Food Security Act of 1985, Pub. Law. 99-198)		☐	☐
(b) Determined ineligible for Federal benefits based on a conviction for the distribution of controlled substances or any offense involving the possession of a controlled substance under 21 U.S.C. 862?		☐	☐
(c) Determined ineligible for Federal benefits based on Federal Crop Insurance Corporation fraud? (See 7 U.S.C. 1515)		☐	☐
9. Explanations for any "YES", answers to Item 8.			
10. I understand that unless FSA executes a separate written instrument for subordination or partial release, FSA's approval of this application will merely constitute and evidence FSA's consent, as lienholder, to the proposed transaction without in any way subordinating its liens, releasing any of its security, modifying the payment terms of my loans, or otherwise affect any FSA rights. If this application is approved, I agree to comply with such terms as may be set by FSA and to dispose of the proceeds as required by FSA. The statements and representations made above are made in connection with the request for a change in the loan security and/or the release of USDA-provided funds. The making of any false statement or misrepresentations herein may be a crime punishable under the Title 18 U.S.C., §1001. I certify that the statements made are true, complete, and correct to the best of my knowledge and belief.			
11A. Signature <i>Guyson Kent Giesbrecht</i>		11B. Date <i>1/14/2021</i>	
12A. Signature <i>Jan a Grace Giesbrecht</i>		12B. Date <i>1/14/2021</i>	
13A. Signature		13B. Date	
14A. Signature		14B. Date	
NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 764, 7 CFR Part 765, the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine borrower eligibility for the requested FSA Farm Loan Programs action. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial of the requested FSA Farm Loan Programs action. The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0236. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.			

PART B – FSA APPROVAL**1. Recommendation for approval or denial of the request and comments:**

please see credit presentation in Farm Business Plan dated 2/10/2021

2(a) Initial Payment

- (1) \$ _____ to prior liens
- (2) \$ _____ to extra payment on FSA loan
- (3) \$ _____ to regular payment on FSA loan
- (4) \$ _____ Other (specify): _____
- (5) \$ _____ to borrower

2(b) Subsequent Payments

- (1) \$ _____ or _____ % to prior liens
% to extra
payment of FSA
loan
- (2) \$ _____ or _____ % to regular
payment of FSA
loan
- (3) \$ _____ or _____
- (4) \$ _____ Other
(specify): _____
- (5) \$ _____ or _____ % to borrower

3. I hereby:

- (a) ☐ recommend this application for approval.
- (b) ☐ do NOT recommend this application be approved.

(c) Recommending Official Name

(d) Title

(e) Signature

(f) Date

4. I hereby:

- (a) ☐ approve this application.
- (b) ☐ do NOT approve this application.
- (c) Reason for denial of the request:

(d) Approving Official Name

(e) Title

(f) Signature

(g) Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Security Interest in a Water Right
and a request to be notified of a change in ownership or any proposed
or final action to amend, transfer, or otherwise modify the water right(s)

Attach pages with additional information. Incomplete forms will be returned.

1.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
	34-708B	34-10286		
	34-709B	34-2316B		
	34-2281A			
	34-2361A			
	34-10285			

2. The following **REQUIRED** information must be submitted with this form:

- A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**
- B) A **FEE of \$25.00 per water right or adjudication claim.**

3. Name and Mailing Address of Person or Company Holding Security Interest

USDA, Farm Service Agency

725 Jensen Grove Dr. Ste. 2

Blackfoot, ID 83221

Phone 208-785-2090

Email

4. Name of Water Right Owner/Claimant(s)

Jayson Kent Giesbrecht

5. Expiration Date of Notification Period

5/05/2050

6. Is this a Renewal of Request for Notification?

☐ YES

☒ NO

7. Signature(s) of Security Interest Holder(s)

Title, if applicable

For Office Use Only

Received by _____ Date _____ Receipt No. _____ Fee _____

Processed by AJ _____ Date _____ WR _____ Date _____

This mortgage is junior and subordinate to only that mortgage executed by Jayson Kent Giesbrecht and Jana Grace Giesbrecht and delivered to Idaho AgCredit, FLCA dated 4/30/2020, and recorded as Instrument No. 257966 in Custer County.

THIS MORTGAGE IS TO BE FILED AND INDEXED NOT ONLY AS A MORTGAGE, BUT ALSO AS A FIXTURE FILING.

Position 5

Form Approved - OMB No. 0560-0237

FSA-2029 ID
(05-04-18)

(See Page 1 for Privacy Act and Paperwork Reduction Act Statements)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

MORTGAGE FOR IDAHO

THIS MORTGAGE ("instrument") is made on May 5, 20 20. The mortgagor is JAYSON KENT GIESBRECHT AND JANA GRACE GIESBRECHT, HUSBAND AND WIFE ("Borrower") whose mailing address is 4266 N 4100 W MACKAY, ID 83251. This instrument is given to the United States of America, acting through the Farm Service Agency, United States Department of Agriculture ("Government") located at 125 JENSEN GROVE DR, STE 2, BLACKFOOT, ID 83221.

This instrument secures the following promissory notes, assumption agreements, and/or shared appreciation agreements (collectively called "note"), which have been executed or assumed by the Borrower unless otherwise noted, are payable to the Government, and authorize acceleration of the entire debt upon any default:

Date of Instrument
05/05/2020

Principal Amount
\$57,500.00

Annual Rate of Interest
2.50%

Due Date of Final Installment
05/05/2050

(The interest rate for any limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in Government regulations and the note.)

By execution of this instrument, Borrower acknowledges receipt of all of the proceeds of the loan or loans evidenced by the above note.

This instrument secures to the Government: (1) payment of the note and all extensions, renewals, and modifications thereof; (2) recapture of any amount due under any Shared Appreciation Agreement entered into pursuant to 7 U.S.C. § 2001; (3) payment of all advances and expenditures, with interest, made by the Government; and (4) the obligations and covenants of Borrower set forth in this instrument, the note, and any other loan agreements.

In consideration of any loan made by the Government pursuant to the Consolidated Farm and Rural Development Act, 7 U.S.C. § 1921 et seq. as evidenced by the note, Borrower irrevocably mortgages, grants and conveys to the Government the following described property situated in the State of Idaho, County or Counties of CUSTER

See attached Exhibit A for legal description

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures, hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and

E-RECORDED

smplyfile

ID:

257967

County:

CUSTER

Date:

5-6-2020

Time:

10:55 AM

This mortgage is junior and subordinate to only that mortgage executed by Jayson Kent Giesbrecht and Jana Grace Giesbrecht and delivered to Idaho AgCredit, FLCA dated 4/30/2020, and recorded as Instrument No. 257966 in Custer County.

THIS MORTGAGE IS TO BE FILED AND INDEXED NOT ONLY AS A MORTGAGE, BUT ALSO AS A FIXTURE FILING.

FSA-2029 ID
(05-04-18)

Position 5

Form Approved – OMB No. 0560-0237

(See Page 7 for Privacy Act and Paperwork Reduction Act Statements)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

MORTGAGE FOR IDAHO

THIS MORTGAGE ("instrument") is made on May 5, 20 20. The mortgagor is JAYSON KENT GIESBRECHT AND JANA GRACE GIESBRECHT, HUSBAND AND WIFE ("Borrower") whose mailing address is 4266 N 4100 W MACKAY, ID 83251. This instrument is given to the United States of America, acting through the Farm Service Agency, United States Department of Agriculture ("Government") located at 725 JENSEN GROVE DR. STE 2, BLACKFOOT, ID 83221.

This instrument secures the following promissory notes, assumption agreements, and/or shared appreciation agreements (collectively called "note"), which have been executed or assumed by the Borrower unless otherwise noted, are payable to the Government, and authorize acceleration of the entire debt upon any default:

Date of Instrument
05/05/2020

Principal Amount
\$57,500.00

Annual Rate of Interest
2.50%

Due Date of Final Installment
05/05/2050

(The interest rate for any limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in Government regulations and the note.)

By execution of this instrument, Borrower acknowledges receipt of all of the proceeds of the loan or loans evidenced by the above note.

This instrument secures to the Government: (1) payment of the note and all extensions, renewals, and modifications thereof; (2) recapture of any amount due under any Shared Appreciation Agreement entered into pursuant to 7 U.S.C. § 2001; (3) payment of all advances and expenditures, with interest, made by the Government; and (4) the obligations and covenants of Borrower set forth in this instrument, the note, and any other loan agreements.

In consideration of any loan made by the Government pursuant to the Consolidated Farm and Rural Development Act, 7 U.S.C. § 1921 *et. seq.* as evidenced by the note, Borrower irrevocably mortgages, grants and conveys to the Government the following described property situated in the State of Idaho, County or Counties of CUSTER

See attached Exhibit A for legal description.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures, hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and

income therefrom, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, or condemnation of any part thereof or interest therein (collectively called "the property"). This instrument constitutes a security agreement and financing statement under the Uniform Commercial Code and creates a security interest in all items which may be deemed to be personal property, including but not limited to proceeds and accessions that are now or hereafter included in, affixed, or attached to "the property."

Borrower COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the property and that the property is unencumbered, except for encumbrances of record. Borrower warrants and will defend the title to the property against all claims and demands, subject to any encumbrances of record.

This instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform mortgage covering real property.

UNIFORM COVENANTS. Borrower COVENANTS AND AGREES as follows:

1. **Payment.** Borrower shall pay promptly when due any indebtedness to the Government secured by this instrument.
2. **Fees.** Borrower shall pay to the Government such fees and other charges that may now or later be required by Government regulations.
3. **Application of payments.** Unless applicable law or Government's regulations provide otherwise, all payments received by the Government shall be applied in the following order of priority: (a) to advances made under this instrument; (b) to accrued interest due under the note; (c) to principal due under the note; (d) to late charges and other fees and charges.
4. **Taxes, liens, etc.** Borrower shall pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.
5. **Assignment.** Borrower grants and assigns as additional security all the rights, title and interest in: (a) the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or taking by eminent domain or otherwise of any part of the property, or for conveyance in lieu of condemnation; (b) all bonuses, rentals, royalties, damages, delay rentals and income that may be due or become due and payable to the Borrower or Borrower's assigns under any existing or future oil, gas, mining or mineral lease covering any portion of the property; and (c) all rents, issues, profits, income and receipts from the property and from all existing or future leases, subleases, licenses, guaranties and any other agreements for the use and occupancy of any portion of the property, including any extensions, renewals, modifications or substitutions of such agreements. Borrower warrants the validity and enforceability of this assignment.

Borrower authorizes and directs payment of such money to the Government until the debt secured by this instrument is paid in full. Such money may, at the option of the Government, be applied on the debt whether due or not. The Government shall not be obligated to collect such money, but shall be responsible only for amounts received by the Government. In the event any item so assigned is determined to be personal property, this instrument will also be regarded as a security agreement.

Borrower will promptly provide the Government with copies of all existing and future leases. Borrower warrants that as of the date of executing this instrument no default exists under existing leases. Borrower agrees to maintain, and to require the tenants to comply with, the leases and any applicable law. Borrower will obtain the Government's written authorization before Borrower consents to sublet, modify, cancel, or otherwise alter the leases, or to assign, compromise, or encumber the leases or any future rents. Borrower will hold the Government harmless and indemnify the Government for any and all liability, loss or damage that the Government may incur as a consequence of this assignment.

6. **Insurance.** Borrower shall keep the property insured as required by and under insurance policies approved by the Government and, at its request, deliver such policies to the Government. If property is located in a designated flood hazard area, Borrower also shall keep property insured as required by 42 U.S.C. § 4001 et. seq. and Government regulations. All insurance policies and renewals shall include a standard mortgagee clause.

7. **Advances by Government.** The Government may at any time pay any other amounts required by this instrument to be paid by Borrower and not paid by Borrower when due, as well as any cost for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. Advances shall include, but not be limited to, advances for payments of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, and improvements. All such advances shall bear interest at the same rate as the note which has the highest interest rate. All such advances, with interest, shall be immediately due and payable by Borrower to the Government without demand. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any secured debt to the Government, in any order the Government determines.

8. **Protection of lien.** Borrower shall pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and its priority and the enforcement or compliance with this instrument and the note. Such expenses include, but are not limited to: costs of evidence of title to, and survey of, the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

9. **Authorized purposes.** Borrower shall use the loan evidenced by the note solely for purposes authorized by the Government.

Initial JB date 5-5-2020
5/5/2020

10. **Repair and operation of property.** Borrower shall: (a) maintain improvements in good repair; (b) make repairs required by the Government; (c) comply with all farm conservation practices and farm management plans required by the Government; and (d) operate the property in a good and husbandlike manner. Borrower shall not (e) abandon the property; (f) cause or permit waste, lessening or impairment of the property; or (g) cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals without the written consent of the Government, except as necessary for ordinary domestic purposes.

11. **Legal compliance.** Borrower shall comply with all laws, ordinances, and regulations affecting the property.

12. **Transfer or encumbrance of property.** Except as provided by Government regulations, the Borrower shall not lease, assign, sell, transfer, or encumber, voluntarily or otherwise, any of the property without the written consent of the Government. The Government may grant consents, partial releases, subordinations, and satisfactions in accordance with Government regulations.

13. **Inspection.** At all reasonable times the Government may inspect the property to ascertain whether the covenants and agreements contained in this instrument are being performed.

14. **Hazardous substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the property. The preceding sentence shall not apply to the presence, use, or storage on the property of small quantities of hazardous substances that are generally recognized to be appropriate to normal use and maintenance of the property. Borrower covenants that Borrower has made full disclosure of any such known, existing hazardous conditions affecting the property. Borrower shall not do, nor allow anyone else to do, anything affecting the property that is in violation of any Federal, state, or local environmental law or regulation. Borrower shall promptly give the Government written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the property and any hazardous substance or environmental law or regulation of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with applicable environmental law and regulations. As used in this paragraph, "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "environmental law" means Federal laws and regulations and laws and regulations of the jurisdiction where the property is located that relate to health, safety or environmental protection.

15. **Adjustment; release; waiver; forbearance.** In accordance with Government regulations, the Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on the note, (d) release any party who is liable under the note from liability to the Government, (e) release portions of the property and subordinate its lien, and (f) waive any other of its rights under this instrument. Any and all of this can and will be done without affecting the lien or the priority of this instrument or Borrower's liability to the Government for payment of the note secured by this instrument unless the Government provides otherwise in writing. HOWEVER, any forbearance by the Government - whether once or often - in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

16. **Graduation.** If the Government determines that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such a loan in sufficient amount to pay the note secured by this instrument and to pay for stock necessary to be purchased in a cooperative lending agency in connection with such loan.

17. **Forfeiture.** Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in the Government's good faith judgment could result in forfeiture of the property or otherwise materially impair the lien created by this instrument or the Government's security interest. Borrower may cure such default by causing the action or proceeding to be dismissed with a ruling that precludes forfeiture of the Borrower's interest in the property or other material impairment of the lien created by this security instrument or the Government's security interest.

18. **False statement.** Borrower also shall be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to the Government (or failed to provide the Government with any material information) in connection with the loan evidenced by the note.

19. **Cross collateralization.** Default under this instrument shall constitute default under any other security instrument held by the Government and executed or assumed by Borrower. Default under any other such security instrument shall constitute default under this instrument.

20. **Highly erodible land; wetlands.** Any loan secured by this instrument will be in default if Borrower uses any loan proceeds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 C.F.R. part 1940, subpart G, or any successor Government regulation.

21. **Non-discrimination.** If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, national origin, disability, familial status or age, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, national origin, disability, familial status or age.

Initial  date 5-5-2020

FSA-2029 ID (05-04-18) Page 3 of 7

 5/5/2020

22. **Notices.** Notices given under this instrument shall be sent by certified mail unless otherwise required by law. Such notices shall be addressed, unless and until some other address is designated in a notice, in the case of the Government to the State Executive Director of the Farm Service Agency at the mailing address shown above, and in the case of Borrower at the address shown in the Government's Finance Office records (which normally will be the same as the mailing address shown above).

23. **Governing law; severability.** This instrument shall be governed by Federal law. If any provision of this instrument or the note or its application to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this instrument or the note which can be given effect without the invalid provision or application. The provisions of this instrument are severable. This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

24. **Successors and assigns; joint and several covenants.** The covenants and agreements of this instrument shall bind and benefit the successors and assigns of Government and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this instrument but does not execute the note: (a) is co-signing this instrument only to mortgage, grant and convey that Borrower's interest in the property under this instrument; (b) is not personally obligated to pay the sums secured by this instrument; and (c) agrees that the Government and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this instrument or the note without that Borrower's consent.

25. **No merger.** If this instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the property, the leasehold and the fee title shall not merge unless the Government agrees to the merger in writing. If the property is conveyed to the Government, title shall not merge (unless the Government elects otherwise) and the lien provided under this instrument shall not be affected by such conveyance.

26. **Time is of the essence.** Time is of the essence in the Borrower's performance of all duties and obligations under this instrument.

NON-UNIFORM COVENANTS. Borrower further COVENANTS AND AGREES as follows:

27. **Default; death; incompetency; bankruptcy.** Should default occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the Borrower die or be declared incompetent, or should the Borrower be discharged in bankruptcy or declared an insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any debt to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of, and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument and sell the property as prescribed by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

28. **Assignment of lease and rents.** Borrower agrees that the assignment of leases and rents in this instrument is immediately effective on the recording of this instrument. Upon default, the Borrower will receive any rents in trust for the Government, and Borrower will not commingle the rents with any other funds. Any amounts collected shall be applied at the Government's discretion first to costs of managing, protecting and preserving the property, and to any other necessary related expenses. Any remaining amounts shall be applied to reduce the debt evidenced by the note. Borrower agrees that the Government may demand that Borrower and Borrower's tenants pay all rents due or to become due directly to the Government if the Borrower defaults and the Government notifies Borrower of the default. Upon such notice, Borrower will endorse and deliver to the Government any payments of rents. If the Borrower becomes subject to a bankruptcy, then Borrower agrees that the Government is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment.

29. **Application of foreclosure proceeds.** The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with this instrument, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all other debt to the Government secured by this instrument, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other debt of Borrower to the Government, and (f) any balance to Borrower. If the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to the Government in the order prescribed above.

Initial JS date 5-5-2020
JS 5/5/2020

By signing below, Borrower accepts and agrees to the terms and covenants contained in this instrument and in any rider executed by Borrower and recorded with this instrument.

Jayson Kent Giesbrecht (SEAL)
JAYSON KENT GIESBRECHT

(SEAL)

Jana Grace Giesbrecht (SEAL)
JANA GRACE GIESBRECHT

(SEAL)

ACKNOWLEDGMENTS

STATE OF IDAHO

COUNTY OF BINGHAM

} ss. (Individual)

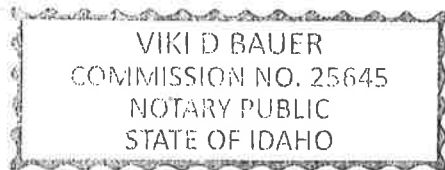
On this 5TH day of MAY 2020, before me personally appeared JAYSON KENT GIESBRECHT AND JANA GRACE GIESBRECHT, to be known to me to be the same person(s) whose name is subscribed to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary act, for the uses and purposes set forth.

My commission expires:

3-31-2026

Viki D Bauer

NOTARY PUBLIC



Notes: Page 6 of 7, and page 7 of 7 apply to entities and will not be recorded for individuals.

Page 7 of 7 contains the privacy act paperwork reduction act and USDA nondiscrimination statements and will not be recorded.

Initial JG date 5-5-2020
JG 5/5/2020

STATE OF IDAHO

COUNTY OF _____

}

ss. (Corporation)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, President and _____ Secretary of _____, a _____ corporation, on behalf of the corporation.

My commission expires:

NOTARY PUBLIC

STATE OF IDAHO

COUNTY OF _____

}

ss. (Partnership)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, Partners, on behalf of the _____, a _____ partnership.

My commission expires:

NOTARY PUBLIC

Initial JS date 3-5-2020
SS S/S 2020

STATE OF IDAHO

COUNTY OF _____

} ss. (Limited Liability Company)

On this _____ day of _____, in the year of 20____, personally appeared before me, _____, known or identified to me to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

NOTARY PUBLIC

Residing at _____

(SEAL)

My commission expires: _____

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 764, 7 CFR Part 765, 7 CFR Part 766, the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to establish the borrower's agreement to the terms and conditions for obtaining the requested FSA Farm Loan Programs benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial of the requested FSA Farm Loan Programs benefits.

The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

According to the Paperwork Reduction to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0237. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Initial JS date 5-5-2020

JS 5/5/2020

EXHIBIT 'A'

LEGAL DESCRIPTION:

PARCEL 1:

A PORTION OF LOT 2 OF SECTION 5, TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS:

BEGINNING AT THE N¹/₄ CORNER OF SAID SECTION 5, THENCE S. 88°59'13" E. 381.03 FEET ALONG THE NORTH LINE OF SECTION 5 TO A ½ INCH REBAR SET BY P.L.S. NO. 826, THENCE S. 4°42'49" E. 254.09 FEET ALONG THE CENTERLINE OF AN ACCESS DRIVEWAY TO A ½ INCH REBAR SET BY P.L.S. NO. 826, THENCE S. 88°58'29" E. 258.07 FEET TO A POINT; THENCE N. 4°44'17" W. 254.13 FEET TO A ½ INCH REBAR SET BY P.L.S. NO. 826, SAID POINT IS LYING ON THE NORTH LINE OF SECTION 5; THENCE S. 88°58'55" E. 686.90 FEET ALONG SAID NORTH LINE TO THE NE CORNER OF LOT 2 OF SAID SECTION 5, THENCE S. 0°02'30" W. 926.74 FEET ALONG THE EAST LINE OF SAID LOT 2 TO A POINT; THENCE S. 89°36'46" W. 1334.18 FEET TO A POINT LYING ON THE WEST LINE OF SAID LOT 2; THENCE N. 0°32'46" E. 959.32 FEET ALONG SAID WEST LINE TO THE N¹/₄ CORNER OF SAID SECTION 5, THE POINT OF BEGINNING.

PARCEL 2:

A PORTION OF LOT 2 OF SECTION 5, TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 2, THENCE S. 88°59'00" E. ALONG THE NORTH BOUNDARY OF SAID LOT A DISTANCE OF 381.11 FEET TO THE POINT OF BEGINNING; THENCE S. 04°42'40" E. ALONG THE CENTER LINE OF AN EXISTING ACCESS LANE A DISTANCE OF 254.10 FEET; THENCE S. 88°59'00" E. PARALLEL TO THE NORTH BOUNDARY OF SAID LOT 2 A DISTANCE OF 258.00 FEET; THENCE N. 04°42'40" W. A DISTANCE OF 254.10 FEET TO THE NORTH BOUNDARY OF SAID LOT 2; THENCE N. 88°59'00" W. ALONG THE NORTH BOUNDARY OF SAID LOT 2 A DISTANCE OF 258 FEET TO THE POINT OF BEGINNING.

Initials:



EXHIBIT 'A'

LEGAL DESCRIPTION - ADDITIONAL COLLATERAL:

Parcel 1:

Township 7 North, Range 25 E.B.M., Custer County, Idaho

Section 32: Beginning at the Northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$, thence East 284 feet; thence South 529 feet; thence West 284 feet; thence North 529 feet to the point of beginning, EXCLUDING the irrigation well and site.

Parcel 2:

Township 7 North, Range 25 E.B.M., Custer County, Idaho

Section 32: W $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ N $\frac{1}{2}$, Except beginning at the Northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$, thence East 284 feet; thence South 529 feet; thence West 284 feet; thence North 529 feet to the point of beginning.

JS
08 5-5-2020
S/S/2020

Additional "Exhibit A" to FSA-2029 Mortgage dated 05/05/2020

All irrigation equipment of every kind and character, including but not limited to, pumps, motors, and mainline. All hand lines, wheel lines and pivots, together with substitutions, replacements, and any irrigation equipment acquired hereafter. Sprinkler equipment attached to the property described below:

PARCEL 1:

A PORTION OF LOT 2 OF SECTION 5, TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS:

BEGINNING AT THE N $\frac{1}{4}$ CORNER OF SAID SECTION 5, THENCE S. 88°59'13" E. 381.03 FEET ALONG THE NORTH LINE OF SECTION 5 TO A $\frac{1}{2}$ INCH REBAR SET BY P.L.S. NO. 826, THENCE S. 4°42'49" E. 254.09 FEET ALONG THE CENTERLINE OF AN ACCESS DRIVEWAY TO A $\frac{1}{2}$ INCH REBAR SET BY P.L.S. NO. 826, THENCE S. 88°58'29" E. 258.07 FEET TO A POINT; THENCE N. 4°44'17" W. 254.13 FEET TO A $\frac{1}{2}$ INCH REBAR SET BY P.L.S. NO. 826, SAID POINT IS LYING ON THE NORTH LINE OF SECTION 5; THENCE S. 88°58'55" E. 686.90 FEET ALONG SAID NORTH LINE TO THE NE CORNER OF LOT 2 OF SAID SECTION 5, THENCE S. 0°02'30" W. 926.74 FEET ALONG THE EAST LINE OF SAID LOT 2 TO A POINT; THENCE S. 89°36'46" W. 1334.18 FEET TO A POINT LYING ON THE WEST LINE OF SAID LOT 2; THENCE N. 0°32'46" E. 959.32 FEET ALONG SAID WEST LINE TO THE N $\frac{1}{4}$ CORNER OF SAID SECTION 5, THE POINT OF BEGINNING.

PARCEL 2:

A PORTION OF LOT 2 OF SECTION 5, TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT 2, THENCE S. 88°59'00" E. ALONG THE NORTH BOUNDARY OF SAID LOT A DISTANCE OF 381.11 FEET TO THE POINT OF BEGINNING; THENCE S. 04°42'40" E. ALONG THE CENTER LINE OF AN EXISTING ACCESS LANE A DISTANCE OF 254.10 FEET; THENCE S. 88°59'00" E. PARALLEL TO THE NORTH BOUNDARY OF SAID LOT 2 A DISTANCE OF 258.00 FEET; THENCE N. 04°42'40" W. A DISTANCE OF 254.10 FEET TO THE NORTH BOUNDARY OF SAID LOT 2; THENCE N. 88°59'00" W. ALONG THE NORTH BOUNDARY OF SAID LOT 2 A DISTANCE OF 258 FEET TO THE POINT OF BEGINNING.

IRRIGATION EQUIPMENT:

Hereafter acquired.

WATER RIGHTS:

Water Right #34-2316B, 12/24/1954 Priority Date, Groundwater, 0.40 CFS, 7.8 GPM, 80.5 AF, 3.5 AFA, over 23 Acres

Initials

JS JS

Date

5-5-2020 8/8/2020

COPY

RECORDED ELECTRONICALLY	
ID <u>254539</u>	County <u>Custer</u>
Date <u>4-6-2019</u>	Time <u>2:26:09</u>
simplifile www.simplifile.com 0004005657	

THIS MORTGAGE IS TO BE FILED AND INDEXED NOT ONLY AS A MORTGAGE, BUT ALSO AS A FIXTURE FILING

This mortgage is junior and subordinate to only that mortgage executed by JAYSON KENT GIESBRECHT AND JANA GRACE GIESBRECHT and delivered to DL EVANS BANK dated _____, and recorded as Instrument No. _____ in CUSTER County.

FSA-2029 ID
(12-08-15)

Position 5

Form Approved – OMB No. 0560-0237

(See Page 8 for Privacy Act and Paperwork Reduction Act Statements)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

MORTGAGE FOR IDAHO

THIS MORTGAGE ("instrument") is made on APRIL 6, 20 18. The mortgagor is JAYSON KENT GIESBRECHT and JANA GRACE GIESBRECHT, husband and wife ("Borrower") whose mailing address is 1820 E 1100 S, EDEN, ID 83325. This instrument is given to the United States of America, acting through the Farm Service Agency, United States Department of Agriculture ("Government") located at 725 JENSEN GROVE DR. STE. 2, BLACKFOOT, ID 83221.

This instrument secures the following promissory notes, assumption agreements, and/or shared appreciation agreements (collectively called "note"), which have been executed or assumed by the Borrower unless otherwise noted, are payable to the Government, and authorize acceleration of the entire debt upon any default:

Date of Instrument
04/06/2018

Principal Amount
\$300,000.00

Annual Rate of Interest
2.50%

Due Date of Final Installment
04/06/2048

(The interest rate for any limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in Government regulations and the note.)

By execution of this instrument, Borrower acknowledges receipt of all of the proceeds of the loan or loans evidenced by the above note.

This instrument secures to the Government: (1) payment of the note and all extensions, renewals, and modifications thereof; (2) recapture of any amount due under any Shared Appreciation Agreement entered into pursuant to 7 U.S.C. § 2001; (3) payment of all advances and expenditures, with interest, made by the Government; and (4) the obligations and covenants of Borrower set forth in this instrument, the note, and any other loan agreements.

In consideration of any loan made by the Government pursuant to the Consolidated Farm and Rural Development Act, 7 U.S.C. § 1921 *et. seq.* as evidenced by the note, Borrower irrevocably mortgages, grants and conveys to the Government the following described property situated in the State of Idaho, County or Counties of CUSTER

See attached Exhibit A for legal description.

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, fixtures, hereditaments, appurtenances, and improvements now or later attached thereto, the rents, issues and profits thereof, revenues and

JG JS

04-06-2018 02:26:08 No. of Pages: 10
Recorded for: FIRST AMERICAN TITLE - KETCHUM
Lura H. Baker Fee: \$45.00
Ex-Officio Recorder Deputy: TH

This mortgage is junior and subordinate to only that mortgage executed by JAYSON KENT GIESBRECHT AND JANA GRACE GIESBRECHT and delivered to DL EVANS BANK dated 04/06/2018, and recorded as Instrument No. 254538 in CUSTER County.

MORTGAGE FOR IDAHO




income therefrom, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, or condemnation of any part thereof or interest therein (collectively called "the property"). This instrument constitutes a security agreement and financing statement under the Uniform Commercial Code and creates a security interest in all items which may be deemed to be personal property, including but not limited to proceeds and accessions that are now or hereafter included in, affixed, or attached to "the property."

Borrower COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the property and that the property is unencumbered, except for encumbrances of record. Borrower warrants and will defend the title to the property against all claims and demands, subject to any encumbrances of record.

This instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform mortgage covering real property.

UNIFORM COVENANTS. Borrower COVENANTS AND AGREES as follows:

1. **Payment.** Borrower shall pay promptly when due any indebtedness to the Government secured by this instrument.
2. **Fees.** Borrower shall pay to the Government such fees and other charges that may now or later be required by Government regulations.
3. **Application of payments.** Unless applicable law or Government's regulations provide otherwise, all payments received by the Government shall be applied in the following order of priority: (a) to advances made under this instrument; (b) to accrued interest due under the note; (c) to principal due under the note; (d) to late charges and other fees and charges.
4. **Taxes, liens, etc.** Borrower shall pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.
5. **Assignment.** Borrower grants and assigns as additional security all the rights, title and interest in: (a) the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or taking by eminent domain or otherwise of any part of the property, or for conveyance in lieu of condemnation; (b) all bonuses, rentals, royalties, damages, delay rentals and income that may be due or become due and payable to the Borrower or Borrower's assigns under any existing or future oil, gas, mining or mineral lease covering any portion of the property; and (c) all rents, issues, profits, income and receipts from the property and from all existing or future leases, subleases, licenses, guaranties and any other agreements for the use and occupancy of any portion of the property, including any extensions, renewals, modifications or substitutions of such agreements. Borrower warrants the validity and enforceability of this assignment.

Borrower authorizes and directs payment of such money to the Government until the debt secured by this instrument is paid in full. Such money may, at the option of the Government, be applied on the debt whether due or not. The Government shall not be obligated to collect such money, but shall be responsible only for amounts received by the Government. In the event any item so assigned is determined to be personal property, this instrument will also be regarded as a security agreement.

Borrower will promptly provide the Government with copies of all existing and future leases. Borrower warrants that as of the date of executing this instrument no default exists under existing leases. Borrower agrees to maintain, and to require the tenants to comply with, the leases and any applicable law. Borrower will obtain the Government's written authorization before Borrower consents to sublet, modify, cancel, or otherwise alter the leases, or to assign, compromise, or encumber the leases or any future rents. Borrower will hold the Government harmless and indemnify the Government for any and all liability, loss or damage that the Government may incur as a consequence of this assignment.

6. **Insurance.** Borrower shall keep the property insured as required by and under insurance policies approved by the Government and, at its request, deliver such policies to the Government. If property is located in a designated flood hazard area, Borrower also shall keep property insured as required by 42 U.S.C. § 4001 et. seq. and Government regulations. All insurance policies and renewals shall include a standard mortgagee clause.

7. **Advances by Government.** The Government may at any time pay any other amounts required by this instrument to be paid by Borrower and not paid by Borrower when due, as well as any cost for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. Advances shall include, but not be limited to, advances for payments of real property taxes, special assessments, prior liens, hazard insurance premiums, and costs of repair, maintenance, and improvements. All such advances shall bear interest at the same rate as the note which has the highest interest rate. All such advances, with interest, shall be immediately due and payable by Borrower to the Government without demand. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any secured debt to the Government, in any order the Government determines.

8. **Protection of lien.** Borrower shall pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and its priority and the enforcement or compliance with this instrument and the note. Such expenses include, but are not limited to: costs of evidence of title to, and survey of, the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

9. **Authorized purposes.** Borrower shall use the loan evidenced by the note solely for purposes authorized by the Government.

Initial JG date 4-6-18

JS

4-6-18

10. **Repair and operation of property.** Borrower shall: (a) maintain improvements in good repair; (b) make repairs required by the Government; (c) comply with all farm conservation practices and farm management plans required by the Government; and (d) operate the property in a good and husbandlike manner. Borrower shall not (e) abandon the property; (f) cause or permit waste, lessening or impairment of the property; or (g) cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals without the written consent of the Government, except as necessary for ordinary domestic purposes.

11. **Legal compliance.** Borrower shall comply with all laws, ordinances, and regulations affecting the property.

12. **Transfer or encumbrance of property.** Except as provided by Government regulations, the Borrower shall not lease, assign, sell, transfer, or encumber, voluntarily or otherwise, any of the property without the written consent of the Government. The Government may grant consents, partial releases, subordinations, and satisfactions in accordance with Government regulations.

13. **Inspection.** At all reasonable times the Government may inspect the property to ascertain whether the covenants and agreements contained in this instrument are being performed.

14. **Hazardous substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances on or in the property. The preceding sentence shall not apply to the presence, use, or storage on the property of small quantities of hazardous substances that are generally recognized to be appropriate to normal use and maintenance of the property. Borrower covenants that Borrower has made full disclosure of any such known, existing hazardous conditions affecting the property. Borrower shall not do, nor allow anyone else to do, anything affecting the property that is in violation of any Federal, state, or local environmental law or regulation. Borrower shall promptly give the Government written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the property and any hazardous substance or environmental law or regulation of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with applicable environmental law and regulations. As used in this paragraph, "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "environmental law" means Federal laws and regulations and laws and regulations of the jurisdiction where the property is located that relate to health, safety or environmental protection.

15. **Adjustment; release; waiver; forbearance.** In accordance with Government regulations, the Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on the note, (d) release any party who is liable under the note from liability to the Government, (e) release portions of the property and subordinate its lien, and (f) waive any other of its rights under this instrument. Any and all of this can and will be done without affecting the lien or the priority of this instrument or Borrower's liability to the Government for payment of the note secured by this instrument unless the Government provides otherwise in writing. HOWEVER, any forbearance by the Government - whether once or often - in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

16. **Graduation.** If the Government determines that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such a loan in sufficient amount to pay the note secured by this instrument and to pay for stock necessary to be purchased in a cooperative lending agency in connection with such loan.

17. **Forfeiture.** Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in the Government's good faith judgment could result in forfeiture of the property or otherwise materially impair the lien created by this instrument or the Government's security interest. Borrower may cure such default by causing the action or proceeding to be dismissed with a ruling that precludes forfeiture of the Borrower's interest in the property or other material impairment of the lien created by this security instrument or the Government's security interest.

18. **False statement.** Borrower also shall be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to the Government (or failed to provide the Government with any material information) in connection with the loan evidenced by the note.

19. **Cross collateralization.** Default under this instrument shall constitute default under any other security instrument held by the Government and executed or assumed by Borrower. Default under any other such security instrument shall constitute default under this instrument.

20. **Highly erodible land; wetlands.** Any loan secured by this instrument will be in default if Borrower uses any loan proceeds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity as provided in 7 C.F.R. part 1940, subpart G, or any successor Government regulation.

21. **Non-discrimination.** If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, national origin, disability, familial status or age, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, national origin, disability, familial status or age.

Initial JG date 4-6-18

38 4-6-18

22. **Notices.** Notices given under this instrument shall be sent by certified mail unless otherwise required by law. Such notices shall be addressed, unless and until some other address is designated in a notice, in the case of the Government to the State Executive Director of the Farm Service Agency at the mailing address shown above, and in the case of Borrower at the address shown in the Government's Finance Office records (which normally will be the same as the mailing address shown above).

23. **Governing law; severability.** This instrument shall be governed by Federal law. If any provision of this instrument or the note or its application to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this instrument or the note which can be given effect without the invalid provision or application. The provisions of this instrument are severable. This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof. All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

24. **Successors and assigns; joint and several covenants.** The covenants and agreements of this instrument shall bind and benefit the successors and assigns of Government and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this instrument but does not execute the note: (a) is co-signing this instrument only to mortgage, grant and convey that Borrower's interest in the property under this instrument; (b) is not personally obligated to pay the sums secured by this instrument; and (c) agrees that the Government and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this instrument or the note without that Borrower's consent.

25. **No merger.** If this instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the property, the leasehold and the fee title shall not merge unless the Government agrees to the merger in writing. If the property is conveyed to the Government, title shall not merge (unless the Government elects otherwise) and the lien provided under this instrument shall not be affected by such conveyance.

26. **Time is of the essence.** Time is of the essence in the Borrower's performance of all duties and obligations under this instrument.

NON-UNIFORM COVENANTS. Borrower further COVENANTS AND AGREES as follows:

27. **Default; death; incompetency; bankruptcy.** Should default occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the Borrower die or be declared incompetent, or should the Borrower be discharged in bankruptcy or declared an insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any debt to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of, and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument and sell the property as prescribed by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

28. **State law.** Borrower agrees that the Government will not be bound by any present or future State laws (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of any action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws.

29. **Assignment of lease and rents.** Borrower agrees that the assignment of leases and rents in this instrument is immediately effective on the recording of this instrument. Upon default, the Borrower will receive any rents in trust for the Government, and Borrower will not commingle the rents with any other funds. Any amounts collected shall be applied at the Government's discretion first to costs of managing, protecting and preserving the property, and to any other necessary related expenses. Any remaining amounts shall be applied to reduce the debt evidenced by the note. Borrower agrees that the Government may demand that Borrower and Borrower's tenants pay all rents due or to become due directly to the Government if the Borrower defaults and the Government notifies Borrower of the default. Upon such notice, Borrower will endorse and deliver to the Government any payments of rents. If the Borrower becomes subject to a bankruptcy, then Borrower agrees that the Government is entitled to receive relief from the automatic stay in bankruptcy for the purpose of enforcing this assignment.

30. **Application of foreclosure proceeds.** The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with this instrument, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all other debt to the Government secured by this instrument, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other debt of Borrower to the Government, and (f) any balance to Borrower. If the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purpose price by crediting such amount on any debts of Borrower owing to the Government in the order prescribed above.

Initial JG date 4-6-18

JS

4-6-18

By signing below, Borrower accepts and agrees to the terms and covenants contained in this instrument and in any rider executed by Borrower and recorded with this instrument.

Jayson Kent Giesbrecht (SEAL)
JAYSON KENT GIESBRECHT

(SEAL)

Jana Grace Giesbrecht (SEAL)
JANA GRACE GIESBRECHT

(SEAL)

ACKNOWLEDGMENTS

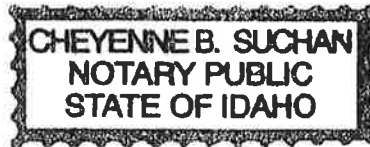
STATE OF IDAHO

COUNTY OF Minidoka } ss. (Individual)

On this 6th day of APRIL 2018, before me personally appeared JAYSON KENT GIESBRECHT and JANA GRACE GIESBRECHT, to be known to me to be the same person(s) whose name is subscribed to the foregoing instrument, and acknowledged that (he or she) signed and delivered the instrument as (his or her) free and voluntary act, for the uses and purposes set forth.

My commission expires:

My Commission
Expires
November 28, 2020



[Signature]
NOTARY PUBLIC

Notes: Page 6 of 8, and page 7 of 8 apply to entities and will not be recorded for individuals.
Page 8 of 8 contains the privacy act paperwork reduction act, and USDA nondiscrimination statements and will not be recorded.

Initial JG date 4-6-18
JG 4-6-18

STATE OF IDAHO

COUNTY OF _____

}

ss. (Corporation)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, President and _____ Secretary of _____, a _____ corporation, on behalf of the corporation.

My commission expires: _____

NOTARY PUBLIC

STATE OF IDAHO

COUNTY OF _____

}

ss. (Partnership)

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, Partners, on behalf of the _____, a _____ partnership.

My commission expires: _____

NOTARY PUBLIC

Initial JG date 4-6-18

JS 4-6-18

STATE OF IDAHO

COUNTY OF _____

}

ss. (Limited Liability Company)

On this _____ day of _____, in the year of 20 _____, personally appeared before me, _____, known or identified to me to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

NOTARY PUBLIC

Residing at _____

My commission expires: _____

(SEAL)

Initial JS date 4-6-18
JS 4-6-18

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a as amended). The authority for requesting the information identified on this form is the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1921 et. seq.). The information will be used to determine eligibility and feasibility for loans and loan guarantees, and servicing of loans and loan guarantees. The information collected on this form may be disclosed to other Federal, State, and local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in the applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information may result in a denial for loans and loan guarantees, and servicing of loans and loan guarantees. The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0237. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Initial JG date 4-6-18
08 4-6-18

Date: **April 06, 2017**

File No.: **665375K**

EXHIBIT 'A'

LEGAL DESCRIPTION:

Parcel 1:

Township 7 North, Range 25 E.B.M., Custer County, Idaho Section 32: Beginning at the Northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$, thence East 284 feet; thence South 529 feet; thence West 284 feet; thence North 529 feet to the point of beginning, EXCLUDING the irrigation well and site.

Parcel 2:

Township 7 North, Range 25 E.B.M., Custer County, Idaho Section 32: W $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ N $\frac{1}{2}$, Except beginning at the Northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$, thence East 284 feet; thence South 529 feet; thence West 284 feet; thence North 529 feet to the point of beginning.

IRRIGATION EQUIPMENT:

5, wheel lines

1, 40 horsepower motor (unknown make) with a centrifugal-style pump (unknown make)

1, 40 horsepower US Motor with a Berkley centrifugal-style pump

1, 40 horsepower US Motor with a Johnston turbine-style pump. This is a groundwater well.

Approximately 3,960 linear feet of aluminum above-ground portable mainline

Approximately 1,320 linear feet of steel buried mainline

WATER RIGHTS:

Water Right #34-708B: Decree, 3/10/1894 priority date, 2.80 CFS over 140 acres, 9.00 GPM, Big Lost River Sinks

Water Right #34-709B: Decree, 6/30/1895 priority date, 2.62 CFS over 270 acres, 4.37 GPM, Big Lost River Sinks

Water Right #34-2281A: Decree, 6/18/1948 priority date, 1.62 CFS over 81 acres, 4.37 GPM, Groundwater

Water Right #34-2361A: Decree, 4/19/1960 priority date, 3.20 CFS over 194 acres, 7.42 GPM, Groundwater

JG 38 Initials **4-6-18** Date



First American Title Company
120 2nd Avenue Suite 101, PO Box 7999, Ketchum, Idaho 83340
(208)726-5688, (208)726-3567

Transmittal

USDA Thru Farm Service Agency
725 Jensen Grove Dr. Ste. 2
Blackfoot, ID 3221

April 09, 2018
File No.: 665375K

Attn: Kory

PROPERTY: 4266 N 4100 W, Mackay, ID 83251

ENCLOSED please find the following for your records:

- Mortgage, Instrument No. 254539

Should you have any questions or need further assistance, please contact the undersigned. We appreciate the opportunity to serve you.

Sincerely,

Jeannie Dibble

enc.



State of Idaho

DEPARTMENT OF WATER RESOURCES

Eastern Region • 900 N SKYLINE DR STE A • IDAHO FALLS, ID 83402-1718

Phone: (208)525-7161 • Fax: (208)525-7177 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

March 15, 2021

USDA FARM SERVICE AGENCY
725 JENSEN GROVE DR STE 2
BLACKFOOT ID 83221-1636

RE: Notice of Security Interest for Water Right/Permit No(s): 34-708B, 34-709B, 34-2281A, 34-2361A, 34-2316B, 34-10285 & 34-10286

Dear Security Interest Holder:

The Department of Water Resources (Department) acknowledges receipt of correspondence adding security interest of the above referenced water right(s) to you. The Department has modified its records to reflect the change in security interest and has enclosed a computer-generated report for you.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Security Interest, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

If you have any questions concerning the enclosed information, please contact me at (208) 497-3787.

Sincerely,

Jonie Barg
Technical Records Specialist 1

Enclosure(s)

cc: JAYSON GIESBRECHT
JANA GIESBRECHT
IDAHO AGCREDIT FLCA