

RECEIVED

AUG 27 2018

WATER RESOURCES
WESTERN REGIONSTATE 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.
65-2324			
65-5452			

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

U.S. Bank National Assoc. as
Custodian/Trustee for Federal
Agricultural Corp. Programs
% CGB Agri Financial Services, Inc.

877-548-2622

Tasha.Cook@cgb.com

← Phone

2209 River Rd

← Email

Louisville, KY 83655

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

Monty, Merry, Luke & Amber Pearce

5. Expiration Date of Notification Period

7/1/2048

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

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

Kim Hite for CGB

Title, if applicable

SUPPORT DATA

IN FILE #

65-2324

For Office Use Only

Received by

AK

Date

8/27/2018

Receipt No.

W046694

Fee

\$50.00

Processed by AJ

X

Date

X

WR

AK

Date

8-29-18.

SCANNED

AUG 29 2018

Instrument # 132145

COUNCIL, ADAMS, IDAHO

04-04-2018 3:47:39 PM No. of Pages: 37

Recorded for: AMERITITLE - COUNCIL

SHERRY WARD Fee: \$45.00

Ex-Officio Recorder Deputy Clerk: *Maggie Hunter*

Indexed to: MORTGAGE

After Recording Return To:
Pacific Intermountain Mortgage Co
2420 Main Street
Baker City, OR 97814
Lisa Howarth

[Space Above This Line For Recording Data]

MORTGAGE**Security Agreement, Assignment of Rents and Fixture Filing****DEFINITIONS**

Words used in multiple sections of this document are defined below and other words are defined in certain Sections of this document. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) "Security Instrument" means this document, which is dated March 27, 2018, together with all Riders to this document.

(B) "Borrower" is Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife.

(C) "Lender" is Pacific Intermountain Mortgage Co. Lender is a corporation organized and existing under the laws of Oregon. Lender's address is 2420 Main Street Baker City, OR 97814. Lender is the beneficiary under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated March 27, 2018. The Note states that Borrower owes Lender Two Million One Hundred Forty Five Thousand and 00/100 Dollars (U.S. \$2,145,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than July 1, 2033.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

IDAHO—Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

After Recording Return To:
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2420 Main Street
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MORTGAGE

Security Agreement, Assignment of Rents and Fixture Filing

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(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" mean all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | |
|--|---|
| ☒ Irrigation Equipment Rider | ☒ Water Rights Rider |
| ☐ Financial Information and Covenants Rider | ☐ Permitted Prior Encumbrance Rider |
| ☐ Mortgage Insurance Rider | ☒ Other(s): Cross Default Rider, Cross Collateralization Rider |
| ☒ Adjustable Rate Rider | |

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(J) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(K) "Periodic Payment" means the regularly scheduled amount due for principal and interest under the Note.

(L) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants, bargains, sells and conveys to Lender the following described property located in the County [Type of Recording Jurisdiction] of **Adams/Gem/Payette/Washington** [Name of Recording Jurisdiction]:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

which currently has the address of

**Agricultural Land, Adams/Gem/Payette/Washington,
Idaho
("Property Address"):**

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if said rider is attached (hereafter
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“Permitted Prior Encumbrances”);

TOGETHER WITH all buildings, improvements, equipment, fixtures and permanent plantings located therein or thereon or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles there from, tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the real property now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

TOGETHER WITH all water and water rights now owned or hereafter acquired by Borrower and howsoever evidenced, including but not limited to any water rights specifically described in the Water Rights Rider if said rider is attached hereto, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real property, along with all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto;

TOGETHER WITH all personal property, including all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the real property, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Borrower and which are located on the real property in Adams/Gem/Payette/Washington County, Idaho, described above together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the real property, all of which are declared to be appurtenant to said real property, or incident to the ownership thereof, or used in connection therewith;

TOGETHER WITH all judgments, awards of damages, settlements and payments or security (i) hereafter made as a result of or in lieu of any taking of all or any part of the real property under the power of eminent domain or for any damage to the real property and/or the improvements located thereon, or any part thereof, and (ii) hereafter made for any damage to the real property and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the real property. Borrower does hereby covenant and agree that Borrower will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Lender;

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies covering the real property and/or the improvements located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

TOGETHER WITH all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the real property, whether now or hereafter existing or acquired;

TOGETHER WITH all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing;

TOGETHER WITH any and all of Borrower's right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving said property.

All replacements and additions shall also be covered by this Security Instrument.

All of the foregoing is referred to in this Security Instrument as the “Property.”

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BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record and specifically those permitted prior encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if said rider is attached to this Security Instrument. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property, fixtures, and certain personal property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Prepayment Charges, Yield Maintenance Premiums and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any yield maintenance premiums, any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 12. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Unless required by Applicable Law, payments will be applied first to accrued unpaid interest, then second to principal, third to advances under this Security Instrument, and finally to late charges. Such payments shall be applied to each Periodic Payment in the order in which it became due.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to

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rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

5. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 4 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Borrower will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Borrower will use good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan.

7. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e) perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 7, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 7. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this security instrument or other instrument providing security for the Note, to protect the Lender's interest in this security instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall become an obligation due and owing under the terms of the Note immediately upon the date advanced by Lender and is an obligation of the Borrower secured by the security instrument or other instrument providing security for the Note.

Any amounts disbursed by Lender under this Section 7 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

8. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend

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time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 15, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 17) and benefit the successors and assigns of Lender.

11. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

12. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

13. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given

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effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

14. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

15. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 15, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 12 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 15.

17. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 12) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 25 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 17.

18. Hazardous Substances. As used in this Section 18: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

"Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences 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 residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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 of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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 Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

19. Additional Property Subject To The Security Instrument. This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of (the "UCC"). In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling, attached floor coverings, irrigation pipes and pumps, livestock fencing and pens, windmills and related equipment and pumps, grain bins and storage bins and specifically: See attached Exhibit "A-1" See attached Exhibit "A-1"

All water and water rights now owned or hereafter acquired by Debtor and howsoever evidenced, together with all water rights appurtenant to the mortgaged property such as water right applications, certificates or permits, and all shares of stock in any irrigation company or district, including without limitation water rights numbered 65-2324, 65-5452, 180, 584, 604, 3234, 3959, 408, 21, 90, 10922, V01703, V04091, V01706, 28107, 9965, 43069, 19147, 72363, 19130, 82477, and 85244, and 112 shares of stock in Letha Irrigation & Water Co., Inc., 145 shares of stock in Noble Ditch Company, 91 shares of stock in Stewart Ditch Co., and 40 shares of stock in Farmers Co-Operative Irrigation Co., also including but not limited to Exhibit "A-1", attached hereto and made a part hereof, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real estate described on Exhibit A, attached hereto and made a part hereof, all ditch and ditch rights and any shares of stock, licenses, permits, certificates and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom.

All irrigation equipment of every kind and nature, including but not limited to center irrigation pivots, pumps, pvc pipe, sprinklers and motors, now owned or hereafter acquired by Debtor and now or hereafter located and situated on the real estate described on Exhibit A attached hereto and made a part hereof, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this Security Instrument as the "Property."

20. Fixture Filing. This Security Instrument constitutes a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures per the UCC.

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

21. **Use of Property; Compliance With Law.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

22. **Assignment of Leases.** Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

23. **Assignment of Rents; Appointment of Receiver; Lender In Possession.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Sections 12 and 25 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notices of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 7 of the Security Instrument.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph. Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

24. **Cross-Default Provision.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

25. **Remedies on Default.** In some instances, federal and state law will require Lender to provide Borrower with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Note and foreclosure this Security Instrument in a manner provided by law if Borrower is in default. At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Note, other evidences of debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Note after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

existing default. By not exercising any remedy on Borrower's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

26. Redemption. The period of redemption after sale on foreclosure shall be one year if the real property sold consisted of a tract of land of more than twenty (20) acres, and within six (6) months after the sale if the real property sold consisted of a tract of land of twenty (20) acres or less. Any agreement to extend the redemption period must be in writing.

27. Release. Upon payment of all sums secured by this Security Instrument, Lender shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for releasing the Property, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

NOTICE

UNDER IDAHO LAW, ANY PROMISE BY THE BANK TO GRANT OR EXTEND EXISTING CREDIT TO YOU MUST BE IN WRITING TO BE LEGALLY BINDING UPON THE BANK IF THE ORIGINAL AMOUNT OF SUCH CREDIT IS \$50,000 OR MORE.

Signature

Monty J Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

Signature

Merry S Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

Signature

Luke R Pearce

Mailing address:

1985 County Line Rd.

New Plymouth, ID 83655

Date

Signature

Amber Pearce

Mailing address:

1985 County Line Rd.

New Plymouth, ID 83655

Date

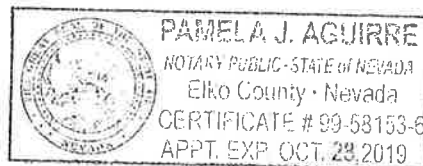
[Sign Originals Only]

STATE OF ID
COUNTY OF Elko

Before me, the undersigned authority, on this day personally appeared **Monty J Pearce, Merry S Pearce, Luke R Pearce, and Amber Pearce**, known or proved to me according to law to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she/they voluntarily executed the same for the purposes of consideration therein expressed, and in the capacity stated.

Given under my hand and seal this 27th day of March, 2018.

Notary, State of Nevada
Printed Name: Pamela J. Aguirre
My Commission Expires: 10/28/19



IRRIGATION EQUIPMENT RIDER

Loan # 21701854

THIS IRRIGATION EQUIPMENT RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

The Property also includes Borrower's interest in the irrigation equipment specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

- All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the
- Property or for the irrigation or drainage thereof located on the Property, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions
- for any of such items and all proceeds (including insurance proceeds) from the sale or other disposition of any such items. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

• See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Irrigation Equipment Rider.


Signature _____ Date _____
Monty J Pearce


Signature _____ Date _____
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

WATER RIGHTS RIDER

Loan # 21701854

THIS WATER RIGHTS RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

The Property also includes Borrower's interest in the water rights specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Borrower to use water for any purpose upon the Property. The above includes, but is not limited to the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Water Rights Rider.


Signature _____ Date _____
Monty J Pearce


Signature _____ Date _____
Merry S Pearce

Luke R. Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce

[Sign Originals Only]

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's adjustable rate Note (the "Note") to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE PERIODIC PAYMENT

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

The Note has the following terms which provide for changes in the interest rate and periodic payments, as follows:

2. INTEREST

Prior to default, interest will be charged on unpaid principal until the full amount of Principal has been paid. Borrower will pay interest at a yearly rate of **4.750%**. The interest rate Borrower will pay will change in accordance with this Section 2.

INITIAL ADJUSTMENT DATE. **July 1, 2023.**

ORIGINAL AMORTIZATION TERM. **25 years.**

ADJUSTMENT FREQUENCY PERIOD. **every five years**

MARGIN **2.750%.**

ADJUSTABLE RATE PROVISION. The interest rate stated in this Note is subject to adjustment by the Lender or any subsequent holder of this Note on the Initial Adjustment Date and on subsequent dates

established by the Adjustment Frequency Period thereafter. Any such change in the interest rate shall be made automatically but in no event shall the adjusted interest rate exceed the maximum interest rate then permitted by law. When the rate is adjusted the remaining current principal balance of the Note will be reamortized over the remaining amortization term to determine subsequent payment amounts. Lender reserves the right to not adjust the loan in the event of default. Notice of the adjusted rate and the new amortized payment will be sent to the Borrower after each interest rate adjustment.

INDEX. Beginning with the Initial Adjustment Date, the adjustable interest rate will be based on an Index. The "Index" is the *weekly average yield on United States Treasury securities* as made available by the Federal Reserve Board adjusted to a constant maturity equal to the Adjustment Frequency Period that is in effect on the 45th day before the applicable rate change date. The Index percentage will be added to the interest rate Margin to determine the adjustable rate. If the Index is no longer available, the Note Holder will choose a new index that is based on comparable information.

After default, interest will be charged on unpaid principal at the interest rate stated in Section 7 of this Note.

3. SCHEDULED PAYMENTS

(A) Time and Amount of Payments

1 interest payment on July 1, 2018, with interest calculated from the date of closing on the unpaid principal balance at 4.750% per annum; 29 consecutive semi-annual principal and interest payments of \$73,750.94 each, beginning January 1, 2019, and the final payment of \$1,237,159.23 on July 1, 2033, which is called the "Maturity Date."

(B) Place of Payments

Borrower will make payments at 2420 Main Street, Baker City, OR 97814 or at a different place if required by Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.


Signature _____ Date 3-27-18
Monty J Pearce


Signature _____ Date 3/27/18
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

CROSS COLLATERALIZATION RIDER

Loan # 21701854

THIS CROSS COLLATERALIZATION RIDER is made this **March 27, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington,
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>360,000.00/21701852</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>2,086,000.00/21701853</u>

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage deed of trust, or security deed (the "Other Security Instruments"). It is agreed that in addition to Borrower's Note, this Security Instrument secures the obligations, debts, and liabilities evidenced by the Other Notes and Other Security Instruments referenced herein, plus interest thereon, which is payable by Grantor to Lender and/or Federal Agricultural Mortgage Corporation.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Collateralization Rider.

Monty J. Pearce 3/27/18
Signature Date
Monty J Pearce

Merry S. Pearce 3/27/18
Signature Date
Merry S Pearce

Luke R. Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

CROSS DEFAULT RIDER

Loan # 21701854

THIS CROSS DEFAULT RIDER is made this **March 27, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

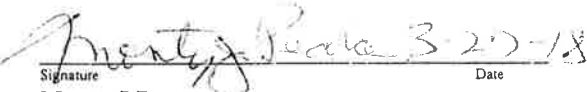
**Agricultural Land, Elko/Adams/Gem/Payette/Washington,
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$360,000.00/21701852
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$2,086,000.00/21701853

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"). It is agreed that any default under this Security Instrument or this Note shall be deemed a default under the Other Notes and Other Security Instruments; and any default under any or all of the Other Notes or Other Security Instruments shall be deemed to be a default under this Note and this Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Default Rider.


Signature _____ Date _____
Monty J Pearce


Signature _____ Date _____
Merry S Pearce

EXHIBIT 'A'

File No. 204285AM

PARCEL I

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;

Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;

Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;

Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road known as Thousand Springs Road;

Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;

Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

Thence S. 53°54'34"E. 348.47 feet to a set 5/8" iron pin lying along the north boundary of said Section 4;

Thence S. 89°37'36"E. 1398.00 feet along the said north boundary of Section 4 to a set 5/8" iron pin;

Thence S. 00°00'00"E. 712.00 feet to a set 5/8" iron pin;

Thence N. 89°37'36"W. 1087.41 feet to a set 5/8" iron pin;

Thence N. 32°47'18"W. 850.51 feet to the point of beginning.

PARCEL II

IN WASHINGTON COUNTY, IDAHO;

Township 12 North, Range 4 West of the Boise Meridian;
Section 4: Lots 3 and 4

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I – Requirements; and Schedule B, Part II – Exceptions.

Township 13 North, Range 4 West of the Boise Meridian;
Section 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$, and that part of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ described as follows;

Beginning at the Southeast corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32;
Thence West along the south line of said Subdivision 47 rods, more or less, to the East line of the County Road (Thousand Springs Road of record) running North and South through said Subdivision;
Thence Northwesterly along said Road, 36 rods, more or less, to the South line of former State Highway, as described in Right of Way deed to the State of Idaho recorded January 22, 1918 In Book 37 of Deeds at Page 36, official records of Washington County, Idaho;
Thence Northeasterly along the South line of said former State Highway to the East line of said Section 32;
Thence South to the place of beginning.

Township 13 North, Range 4 West of the Boise Meridian;
Section 33: SW $\frac{1}{4}$, Excepting that portion deeded to the State of Idaho in Highway Deeds recorded December 12, 1942 in Book 62 of Deeds at Page 234 and July 3, 1962 in Book 81 of Deeds at Page 605, official records of Washington County, Idaho.

EXCEPTING THEREFROM:

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;

Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;
Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;
Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road know as Thousand Springs Road;
Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;
Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions.

Thence S. $53^{\circ}54'34''$ E. 348.47 feet to a set $5/8''$ iron pin lying along the north boundary of said Section 4;

Thence S. $89^{\circ}37'36''$ E. 1398.00 feet along the said north boundary of Section 4 to a set $5/8''$ iron pin;

Thence S. $00^{\circ}00'00''$ E. 712.00 feet to a set $5/8''$ iron pin;

Thence N. $89^{\circ}37'36''$ W. 1087.41 feet to a set $5/8''$ iron pin;

Thence N. $32^{\circ}47'18''$ W. 850.51 feet to the point of beginning.

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I – Requirements; and Schedule B, Part II – Exceptions.

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Elko, described as follows:

PARCEL 1:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 17: E1/2; SW1/4;

Section 18: Lots 3 and 4; E1/2SW1/4; N1/2SE1/4; SE1/4SE1/4;

Section 20: NW1/4;

EXCEPTING FROM the NE1/4 of Section 17, TOWNSHIP 36 NORTH, RANGE 62 EAST, an undivided fifty percent (50%) of all oil, gas and other minerals, lying in and under said land, as reserved by ANNA M. NEILSON, a widow, in deed recorded December 10, 1956, in Book 71, Page 49, Deed Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 17 all that portion of said land as conveyed to Steven P. Safford and Margaretha C. Safford, husband and wife, by deed recorded April 15, 2013, as Document No. 670652, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM all of Parcel 1 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by Charles E. Schoer, et ux, in Deed recorded December 30, 1959, in Book 77, Page 544, Deed Records, Elko County, Nevada.

PARCEL 2:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: W1/2SW1/4;

Section 20: NE1/4; S1/2;

EXCEPTING THEREFROM, a parcel of land in the W1/2SW1/4 more particularly described as follows:

Beginning at Corner No. 1, which is also the west one quarter corner of Section 20, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.;

THENCE South along Section line 2,640.00 feet more or less to Corner No. 2, the Southwest corner of said Section 20;

THENCE East 920.00 feet more or less to Corner No. 3;

THENCE North 1°31'08" West 2,640.93 feet more or less along a fence now in place to Corner No. 4;

THENCE West 850.00 feet, more or less to Corner No. 1, the place of beginning.

Section 28: NW1/4; N1/2SW1/4;

EXCEPTING FROM all of Parcel 2 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by CHARLES E. SCHOER, et ux, in Deed recorded December 20, 1959, in Book 77, Page 541, Deed Records, Elko County, Nevada.

PARCEL 3:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: All that portion of the E1/2; NW1/4 and E1/2SW1/4; Lying westerly of the centerline of the Western Pacific Railroad Company railroad.

Section 18: Lots 5 and 6; SW1/4SE1/4;

EXCEPTING FROM those parcels in Section 16, all the oil and gas, lying in and under said land, as reserved by the United States of America in Patent recorded March 27, 1972, in Book 160, Page 643, Official Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

PARCEL 4:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 21: All

EXCEPTING THEREFROM a triangular piece of land in the NE1/4NE1/4 of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M. as conveyed to Western Pacific Railway Company in Deed recorded February 19, 1909, in Book 31, Page 71, Deed Records, Elko County, Nevada, more particularly described as follows:

Being all that portion of the NE1/4NE1/4NE1/4 of Section 21 included within a triangle bounded by the North and East line of said NE1/4NE1/4 and a line connecting said boundary lines running parallel with the center line of the located railroad of the Western Pacific Railway Company, and distant 100.00 feet westerly therefrom.

The said center line of said Western Pacific Railway, in so far as the same extends across the above described property, is particularly described as follows:

Beginning at the point in the North line of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M., said point being distant West, along said North line, 400.00 feet, more or less, from the Northeast Corner of said Section 21;

THENCE running South 19°02' East, 1,215.00 feet, more or less, to a point in the East line of said Section 21, said point being distant South, along said East line, 1,150.00 feet more or less, from said Northeast Corner of said Section 21.

PARCEL 5:

Parcels of land located in Sections 17 and 18, Township 36 North, Range 62 East, M.D.B.&M., Elko County, Nevada, being portions of Parcel 2 as shown on the parcel map for David K. and Patricia H. Anderson, on file in the Office of the Elko County Recorder, Elko, Nevada, as File No. 433786, more particularly described as follows:

Parcel 1:

Beginning at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17 bears North 00°17'04" West, 2576.54 feet, being Corner No. 1, the true point of beginning;

Thence South 89°59'33" East, 1978.87 feet, along the East-West 1/4 section line of said Section 17, to Corner No. 2;

Thence North 86°49'32" West, 3572.60 feet to Corner No. 3, a point being on the Westerly right of way of Nevada State Route 232;

Thence from a tangent bearing South 09°42'40" West, on a curve to the right, with a radius of 9970.00 feet, through a central angle of 01°05'49", for an arc length of 190.88, along the said Westerly right of way of Nevada State Route 232, to Corner No. 4;

Thence South 89°39'19" East, 1622.28 feet to Corner No. 1, the point of beginning.

Parcel 2:

Commencing at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17, bears North 00°17'04", 2576.54 feet, thence South 89°59'33" East, 2644.36 feet along the East-West 1/4 section line of said Section 17 to Corner No. 1, the true point of beginning;

Thence continuing South 89°59'33" East, 2.33 feet along the said East-West 1/4 section line of Section 17 to Corner No. 2, a point being the center 1/4 corner of said Section 17;

Thence North 00°15'39" West, 36.83 feet along the North-South 1/4 section line of said Section 17 to Corner No. 3;

Thence South 03°21'30" West, 36.89 feet to Corner No. 1, the point of beginning.

EXCEPTING THEREFROM all oil, gas, petroleum and minerals lying and under said land as conveyed to Hugh D. McMullen, et al, by deed recorded August 5, 1954, in Book 66, Page 174, Deed Records of Elko County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas, petroleum or petroleum products lying in and under said land as reserved by George Ralph and Velma Ralph in deed recorded November 26, 1952, in Book 62, Page 289, Deed Records of Elko County, Nevada.

In Sec. 20: S $\frac{1}{2}$ SE $\frac{1}{4}$.

In Sec. 29: N $\frac{1}{2}$ NE $\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Northeast corner of said Sec. 29;
Thence South 280 feet along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the TRUE POINT OF BEGINNING;
Thence West parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet;
Thence South parallel to the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet;
Thence East parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet to a point on the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the said East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel III:

A portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho more particularly described as follows:

Beginning at the Northeast corner of said Sec. 29;
Thence South 280 feet along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the TRUE POINT OF BEGINNING;
Thence West parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet;
Thence South parallel to the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet;
Thence East parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet to a point on the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel IV:

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Section 29: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, and all that portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ lying North and East of the right of way of the drain ditch of Drainage District No. 1 of Canyon County, Idaho;

AND the SE $\frac{1}{4}$ NE $\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Southeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet;
Thence North parallel to the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet;

Thence East parallel to the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet to a point on the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South along the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet to the TRUE POINT OF BEGINNING.

Parcel V:

All that portion of the E $\frac{1}{2}$ NE $\frac{1}{4}$ lying Southerly of the county road known as Thornock Road in Section 20, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho;
EXCEPTING THEREFROM the West 360 feet of the E $\frac{1}{2}$ NE $\frac{1}{4}$; and FURTHER EXCEPTING THEREFROM the South 330 feet of the SE $\frac{1}{4}$ NE $\frac{1}{4}$.

Parcel VI:

A parcel of land in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho, more particularly described as follows:

Beginning at the Southeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet;

Thence North parallel to the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet;

Thence East parallel to the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet to a point on the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;

Thence South along the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet to the TRUE POINT OF BEGINNING.

Parcel VII

SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho.

AND

That portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho lying North and East of the Noble Ditch.

EXHIBIT A

TRACT I:

That portion of the West half of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian, Gem County, Idaho, described as follows:

Commencing at the Southwest corner of the West half of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian; thence North 00°38'20" East, 649.94 feet along the West line of said West half of the Southwest quarter to a point on the Northwesterly prolongation of the Northerly right of way of the Drainage District No. 1 of Canyon County drain ditch; thence South 65°13'33" East, 109.58 feet along said Northerly right of way to the East line of that certain parcel of land described in Instrument No. 28956, records of Gem County Idaho, being the Point of Beginning; thence North 00°38'20" East, 1673.42 feet along said East line being parallel to the West line of said Southwest quarter; thence South 65°13'33" East, 1340.56 feet to a point on the East line of said West half of the Southwest quarter; thence South 00°35'59" West, 1660.90 feet along the East line of said West half of the Southwest quarter to said Northerly right of way of the Drainage District No. 1 of Canyon County drain ditch; thence North 79°16'31" West, 48.97 feet along said Northerly right of way; thence North 65°13'33" West, 1288.97 feet along said Northerly right of way to the Point of Beginning.

TRACT II:

That portion of the Northwest quarter of the Southwest quarter and that portion of the Southwest quarter of the Northwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian, Gem County, Idaho described as follows:

Commencing at the Southwest corner of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian; thence North 00°38'20" East, 2323.30 feet along the West line of the Southwest quarter; thence South 65°13'33" East, 109.58 feet to a point on the East line of that certain parcel of land described in Instrument No. 28956 and 27571 records of Gem County, Idaho being the Point of Beginning; thence North 00°38'20" East, 372.20 feet along said East line being parallel to said West line of the Southwest quarter; thence North 00°37'08" East, 589.48 feet along said East line being parallel to the West line of the Northwest quarter of said Section 28; thence South 65°13'33" East, 1340.07 feet to a point on the East line of the Southwest quarter of the Northwest quarter of said Section 28; thence South 00°36'27" West, 70.18 feet along said East line; thence South 00°35'59" West, 891.69 feet along the East line to the Northwest quarter of the Southwest quarter of said Section 28; thence North 65°13'33" West, 1340.56 feet to the Point of Beginning.

EXHIBIT 'A'

File No. 204286AM

Township 16 North, Range 2 West, Boise Meridian, Adams County, Idaho:

Section 29: $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}NE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SE\frac{1}{4}SW\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}SE\frac{1}{4}$, $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$

Section 32: A tract of land more particularly described as follows:

Commencing at the section corner common to Sections 28, 29, 32 and 33 of said Township and Range;

thence S $89^{\circ}45'18''$ W a distance of 2637.328 feet on and along the North section line of the said Section 32 to the North quarter corner of said section, which quarter corner is the REAL POINT OF BEGINNING;

thence continuing S $89^{\circ}45'18''$ W on and along the North section line of the said Section 32 a distance of 1331.01 feet;

thence S $55^{\circ}21'24''$ E, 464.320 feet;

thence S $59^{\circ}05'30''$ E, 237.510 feet;

thence S $65^{\circ}13'40''$ E, 166.415 feet;

thence S $46^{\circ}15'42''$ E, 266.961 feet;

thence S $31^{\circ}43'26''$ E, 308.015 feet;

thence S $58^{\circ}33'43''$ E, 283.862 feet;

thence N $00^{\circ}09'30''$ W, 1055.993 feet to the REAL POINT OF BEGINNING.

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions.

EXHIBIT "A-1"

IRRIGATION EQUIPMENT & WATER RIGHTS Pearce

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Real Property or for the irrigation or drainage thereof, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such Property. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

Irrigation Equipment

Electric 100 hp GE motor, S/N GJJ704139
Two (2) - Reinke Center pivots, Model 2005 S/N 032197 and 0404-031507
Four (4) 1/4 mile wheel lines, S/N unknown

Water Rights

Private Water Rights									
State	Application Number	Certificate / Permit	Volume / Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Vested Right		V01703	525 afa	Decreed	Irrigation	211.2		Spring - Rice Creek	Part of a larger water right
Vested Right		V01706	45.15 afa	Decreed	Irrigation	224.23		Spring - Rice Creek	
Vested Right		V04094	Link	Decreed	Irrigation	72.45		Stream - Arroyo Creek	Part of a larger water right
Designated	28107	9865	608.76 afa	4/9/1982	Irrigation	172.19		Well #1	
Designated	43069	18147	586.82 afa	5/2/1922	Irrigation	200.23		Rice Creek	
Designated	72363	19130	788.85 afa	5/2/1922	Irrigation	268.7		Rice Creek	
Permit	82477		788.95 afa	1/23/2016	Irrigation		268.7	Well	Beneficial use must be obtained prior to 8/14/2018
Permit	85244		92.68 afa	5/28/1996	Irrigation	23.17		Well	Beneficial use must be obtained prior to 11/16/2020
Total						1172.18	268.7		

Above information based on State of Nevada Water Resources Department website as of November 17, 2017.

Water rights as assessed by the Idaho State Dept. of Water Resources:

112 shares provided by Letha Irrigation & Water Company
145 shares provided by Noble Ditch Company
91 shares provided by Stewart Ditch Company
285 shares provided by Certificate No.'s 65-2324 and 65-5452

Exhibit "A-1"
continued

Private Irrigation Water Rights								
Basis	WR #	Volume/ Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Private	65-2324	3.8 cfs	7/16/1924	Irrigation	188		Lateral B Drain, District No. One	Decreed Water Right - Assessed
Private	65-5452	1.94 cfs	4/4/1931	Irrigation	97		Lateral B Drain, District No. One	Decreed Water Right - Assessed
Total					285	0		

Above information based on Idaho Department of Water Resources website as of November 14, 2017.

District Irrigation Water Rights								
Basis	WR #	Volume/ Rate	Priority	Use	Primary Shares	Supplemental Irr. Acres	Source	Comments
Letha Irrigation & Water Co. Inc.				Irrigation	112		Certificates #180, #584, #504	1 Share = 1 Acre Assessed at \$2.25/sha
Noble Ditch Company				Irrigation	145		Certificates #3234, #3959, #4058	1 Share = 1 Acre Assessed at \$15/sha
Stewart Ditch Co.				Irrigation	91		Certificates #21 and #90	1 Share = 1 Acre Assessed at \$4/share
Farmers Co- Operative Irr Co.				Irrigation	40		Certificate #10922	1 Share = 1 Acre Assessed at \$14/sha
Total					388			

Above information is verified with the appropriate irrigation company as of November 14, 2017.

Irrigation Equipment includes approximately 2,000 feet of Gated Pipe on the Shaw Tract.

Instrument # 413895

PAYETTE COUNTY

2018-04-04 01:56:06 PM No. of Pages: 37

Recorded for: AMERITITLE - PAYETTE

BETTY J DRESSEN

Fee: \$66.00

Ex-Officio Recorder Deputy Melody Capener

Index To: MORTGAGE

Electronically Recorded by Simplifile

After Recording Return To:
Pacific Intermountain Mortgage Co
2420 Main Street
Baker City, OR 97814
Lisa Howarth

[Space Above This Line For Recording Data]

MORTGAGE

Security Agreement, Assignment of Rents and Fixture Filing

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in certain Sections of this document. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) "Security Instrument" means this document, which is dated March 27, 2018, together with all Riders to this document.

(B) "Borrower" is Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife.

(C) "Lender" is Pacific Intermountain Mortgage Co. Lender is a corporation organized and existing under the laws of Oregon. Lender's address is 2420 Main Street Baker City, OR 97814. Lender is the beneficiary under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated March 27, 2018. The Note states that Borrower owes Lender Two Million One Hundred Forty Five Thousand and 00/100 Dollars (U.S. \$2,145,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than July 1, 2033.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

IDaho—Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

After Recording Return To:
Pacific Intermountain Mortgage Co
2420 Main Street
Baker City, OR 97814
Lisa Howarth

[Space Above This Line For Recording Data]

OPEN-END MORTGAGE

(With Future Advance Clause)

Security Agreement, Assignment of Rents and Fixture Filing

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in certain Sections of this document. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) "Security Instrument" means this document, which is dated **April 2, 2018**, together with all Riders to this document.

(B) "Borrower" is **Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife.**

(C) "Lender" is **Pacific Intermountain Mortgage Co .** Lender is a corporation organized and existing under the laws of **Oregon.** Lender's address is **2420 Main Street Baker City, OR 97814.** Lender is the beneficiary under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated **April 2, 2018.** The Note states that Borrower owes Lender **Three Hundred Sixty Thousand and 00/100 Dollars (U.S. \$360,000.00)** plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **July 1, 2048.**

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres) (Open End)

(F) **"Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) **"Riders"** mean all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☒ Irrigation Equipment Rider

☒ Water Rights Rider

☐ Financial Information and Covenants Rider

☐ Permitted Prior Encumbrance Rider

☐ Mortgage Insurance Rider

☒ Other(s): **Cross Default Rider, Cross Collateralization Rider; Convertible Revolving Line of Credit Variable Rate Rider**

☐ Adjustable Rate Rider

(H) **"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(J) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(K) **"Periodic Payment"** means the regularly scheduled amount due for principal and interest under the Note.

(L) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

Open-End Mortgage. This Security Instrument is given to secure the payment of the initial advance, with interest as provided in the Note dated April 2, 2018, with additional advances as hereinafter specified. Upon request of the Borrowers the Lender may hereafter at any time after the Security Instrument is recorded and before the release and cancellation of this Security Instrument, make further advances to the Borrowers to the extent that the total unpaid loan indebtedness, exclusive of interest thereon, does not exceed the maximum amount of \$360,000.00 which may be outstanding; and any such further advances, with interest, shall be secured by this Security Instrument and shall be evidenced by the Note. Provided, however, that the amount of principal secured by this Security Instrument and remaining unpaid shall not at the time of and including any such advance exceed the original principal sum secured hereby. Provided, further, that nothing herein stipulated shall limit the amounts that shall be secured hereby when advanced to protect the security or in accordance with covenants contained in this Security Instrument. The Borrowers individually covenant with the Lender to repay all such advances aforesaid, with interest, and to apply all other covenants and conditions of this Security Instrument to such future advances.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants, bargains, sells and conveys to Lender the following described property located in the County [Type of Recording Jurisdiction] of **Adams/Gem/Payette/Washington** [Name of Recording Jurisdiction]:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

which currently has the address of

**Agricultural Land, Adams/Gem/Payette/Washington,
Idaho
("Property Address"):**

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if said rider is attached (hereafter "Permitted Prior Encumbrances");

TOGETHER WITH all buildings, improvements, equipment, fixtures and permanent plantings located therein or thereon or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles there from, tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the real property now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

TOGETHER WITH all water and water rights now owned or hereafter acquired by Borrower and howsoever evidenced, including but not limited to any water rights specifically described in the Water Rights Rider if said rider is attached hereto, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real property, along with all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto;

TOGETHER WITH all personal property, including all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the real property, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Borrower and which are located on the real property in **Adams/Gem/Payette/Washington County, Idaho**, described above together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the real property, all of which are declared to be appurtenant to said real property, or incident to the ownership thereof, or used in connection therewith;

TOGETHER WITH all judgments, awards of damages, settlements and payments or security (i) hereafter made as a result of or in lieu of any taking of all or any part of the real property under the power of eminent domain or for any damage to the real property and/or the improvements located thereon, or any part thereof, and (ii) hereafter made for any damage to the real property and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the real property. Borrower does hereby covenant and agree that Borrower will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Lender;

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies covering the real property and/or the improvements located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

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TOGETHER WITH all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the real property, whether now or hereafter existing or acquired;

TOGETHER WITH all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing;

TOGETHER WITH any and all of Borrower's right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving said property.

All replacements and additions shall also be covered by this Security Instrument.

All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record and specifically those permitted prior encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if said rider is attached to this Security Instrument. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property, fixtures, and certain personal property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Prepayment Charges, Yield Maintenance Premiums and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any yield maintenance premiums, any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 12. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Unless required by Applicable Law, payments will be applied first to accrued unpaid interest, then second to principal, third to advances under this Security Instrument, and finally to late charges. Such payments shall be applied to each Periodic Payment in the order in which it became due.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount

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to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 3.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

4. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, such failure shall constitute a default under the terms of this Security Instrument and the Loan. Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 4 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if

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the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 25 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

5. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 4 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Borrower will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Borrower will use good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan.

7. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e)

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perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 7, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 7. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this security instrument or other instrument providing security for the Note, to protect the Lender's interest in this security instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall become an obligation due and owing under the terms of the Note immediately upon the date advanced by Lender and is an obligation of the Borrower secured by the security instrument or other instrument providing security for the Note.

Any amounts disbursed by Lender under this Section 7 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

8. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower

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has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 15, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 17) and benefit the successors and assigns of Lender.

11. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

12. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender.

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Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

13. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

14. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

15. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 15, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 12 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 15.

17. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres) (Open End)

litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 12) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 25 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 17.

18. Hazardous Substances. As used in this Section 18: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences 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 residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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 of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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 Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

19. Additional Property Subject To The Security Instrument. This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of ID (the "UCC"). In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling, attached floor coverings, irrigation pipes and pumps, livestock fencing and pens, windmills and related equipment and pumps, grain bins and storage bins and specifically: See attached Exhibit "A-1"

All water and water rights now owned or hereafter acquired by Debtor and howsoever evidenced, together with all water rights appurtenant to the mortgaged property such as water right applications, certificates or permits, and all shares of stock in any irrigation company or district, including without limitation water rights numbered 65-2324, 65-5452, 180, 584, 604, 3234, 3959, 408, 21, 90, 10922, V01703, V04091, V01706, 28107, 9965, 43069, 19147, 72363, 19130, 82477, and 85244, and 112 shares of stock in Letha Irrigation & Water Co., Inc., 145 shares of stock in Noble Ditch Company, 91 shares of stock in Stewart Ditch Co., and 40 shares of stock in Farmers Co-Operative Irrigation Co., also including but not limited to Exhibit "A-1", attached hereto and made a part hereof, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real estate described on Exhibit A, attached hereto and made a part hereof, all ditch and ditch

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres) (Open End)

rights and any shares of stock, licenses, permits, certificates and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom.

All irrigation equipment of every kind and nature, including but not limited to center irrigation pivots, pumps, pvc pipe, sprinklers and motors, now owned or hereafter acquired by Debtor and now or hereafter located and situated on the real estate described on Exhibit A attached hereto and made a part hereof, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this Security Instrument as the "Property."

20. **Fixture Filing.** This Security Instrument constitutes a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures per the UCC.

21. **Use of Property; Compliance With Law.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

22. **Assignment of Leases.** Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

23. **Assignment of Rents; Appointment of Receiver; Lender In Possession.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Sections 12 and 25 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notices of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 7 of the Security Instrument.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph. Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

24. **Cross-Default Provision.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres) (Open End)

Security Instrument.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

25. Remedies on Default. In some instances, federal and state law will require Lender to provide Borrower with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Note and foreclosure this Security Instrument in a manner provided by law if Borrower is in default. At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Note, other evidences of debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Note after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Borrower's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

26. Redemption. The period of redemption after sale on foreclosure shall be one year if the real property sold consisted of a tract of land of more than twenty (20) acres, and within six (6) months after the sale if the real property sold consisted of a tract of land of twenty (20) acres or less. Any agreement to extend the redemption period must be in writing.

27. Release. Upon payment of all sums secured by this Security Instrument, Lender shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for releasing the Property, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

NOTICE

**UNDER IDAHO LAW, ANY PROMISE BY THE BANK TO GRANT OR
EXTEND EXISTING CREDIT TO YOU MUST BE IN WRITING TO BE
LEGALLY BINDING UPON THE BANK IF THE ORIGINAL AMOUNT
OF SUCH CREDIT IS \$50,000 OR MORE.**

Signature

Monty J Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

4-17-18

Signature

Merry S Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

4/17/18

Luke R Pearce 4/17/18
Signature Date

Luke R Pearce
Mailing address:
1985 County Line Rd.
New Plymouth, ID 83655

Amber Pearce 4/17/18
Signature Date

Amber Pearce
Mailing address:
1985 County Line Rd.
New Plymouth, ID 83655

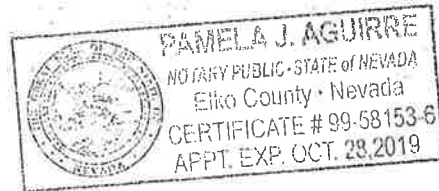
[Sign Originals Only]

STATE OF NEVADA
COUNTY OF Elko

Before me, the undersigned authority, on this day personally appeared **Monty J Pearce, Merry S Pearce, Luke R Pearce, and Amber Pearce**, known or proved to me according to law to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she/they voluntarily executed the same for the purposes of consideration therein expressed, and in the capacity stated.

Given under my hand and seal this 17th day of April, 20 18.

Pamela J. Aguirre
Notary, State of Nevada
Printed Name: Pamela J. Aguirre
My Commission Expires: 10/28/19



IRRIGATION EQUIPMENT RIDER

Loan # 21701852

THIS IRRIGATION EQUIPMENT RIDER is made this **Second** day of **April, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender"), of the same date and covering the Property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

The Property also includes Borrower's interest in the irrigation equipment specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Property or for the irrigation or drainage thereof located on the Property, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such items and all proceeds (including insurance proceeds) from the sale or other disposition of any such items. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Irrigation Equipment Rider.

Signature

Monty J Pearce

Date

Signature

Merry S Pearce

Date

 
Signature _____ Date _____
Luke R Pearce

 
Signature _____ Date _____
Amber Pearce
[Sign Originals Only]

WATER RIGHTS RIDER

Loan # 21701852

THIS WATER RIGHTS RIDER is made this **Second** day of **April, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]**

The Property also includes Borrower's interest in the water rights specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Borrower to use water for any purpose upon the Property. The above includes, but is not limited to the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Water Rights Rider.

Signature

Monty J Pearce

Date

Signature

Merry S Pearce

Date

Luke R Pearce 4/17/18
Signature Date
Luke R Pearce

Amber Pearce 4/17/18
Signature Date
Amber Pearce
[Sign Originals Only]

CROSS COLLATERALIZATION RIDER

Loan # 21701852

THIS CROSS COLLATERALIZATION RIDER is made this **April 2, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>2,086,000.00/21701853</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>03/27/2018</u>	<u>2,145,000.00/21701854</u>

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"). It is agreed that in addition to Borrower's Note, this Security Instrument secures the obligations, debts, and liabilities evidenced by the Other Notes and Other Security Instruments referenced herein, plus interest thereon, which is payable by Grantor to Lender and/or Federal Agricultural Mortgage Corporation.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Collateralization Rider.

Monty J Pearce 4/17/18
Signature Date
Monty J Pearce

Merry S Pearce 4/17/18
Signature Date
Merry S Pearce

Luke R Pearce 4/17/18
Signature Date
Luke R Pearce

Amber Pearce 4/17/18
Signature Date
Amber Pearce

[Sign Originals Only]

CROSS DEFAULT RIDER

Loan # 21701852

THIS CROSS DEFAULT RIDER is made this **April 2, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co.** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$2,086,000.00/21701853
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	03/27/2018	\$2,145,000.00/21701854

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"): It is agreed that any default under this Security Instrument or this Note shall be deemed a default under the Other Notes and Other Security Instruments; and any default under any or all of the Other Notes or Other Security Instruments shall be deemed to be a default under this Note and this Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Default Rider.


Signature _____ Date _____
Monty J Pearce


Signature _____ Date _____
Merry S Pearce

Luke R. Pearce 4/17/18
Signature Date
Luke R Pearce

Amber Pearce 4/17/18
Signature Date
Amber Pearce

[Sign Originals Only]

CONVERTIBLE REVOLVING LINE OF CREDIT VARIABLE RATE RIDER

(Daily Wall Street LIBOR Index – Semi-Annual Pay - No Rate Cap - Convertible)

This REVOLVING LINE OF CREDIT VARIABLE RATE RIDER is made this **Second day of April, 2018**, and is incorporated into and shall be deemed to amend and supplement the mortgage, deed of trust or security deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Promissory Note (the "Note") to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington, Nevada and Idaho,
[Property Address]

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST
RATE. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE VARIABLE RATE
TO ANOTHER RATE.**

Additional Covenants. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

VARIABLE RATE AND SEMI-ANNUAL PAYMENT CHANGES

The Note provides for an initial interest rate to be determined on the date of the first, initial or only advance of funds under the Note. The Note provides for changes in the variable interest rate as follows:

1. Payment of Principal and Interest.

(a) Interest shall accrue on the unpaid balance of this Note until the Loan is repaid in full or until the Borrower exercises the option to convert the variable rate to another rate as provided in subsection (f) below.

(b) The Initial Variable Rate (defined below) will be established at loan registration and upon the receipt of the Commitment to Purchase – AgEquity. Thereafter, the Variable Rate shall change according to the Rate Change Date at a rate equal to the sum of (i) the Current Index (defined below) and (ii) the Margin (defined below) (the "Variable Rate").

(c) A payment of interest calculated at the Variable Rate on the outstanding principal balance represented under this Note from the date of the first advance hereunder shall be due on the First Interest Payment Date. Thereafter, consecutive semi-annual installments of interest, each in the amount required to pay the unpaid interest accruing through the applicable period shall be due on each January 1 and July 1 at the Variable Rate until the Maturity Date (as defined below) or the Conversion Date (as defined below) as the case may be. Any remaining indebtedness, if not sooner paid, shall be due and payable on the Maturity Date (as defined below).

MULTISTATE ADJUSTABLE RATE RIDER

(d) If Lender at any time determines, in its sole but reasonable discretion, that it has miscalculated the amount of any interest payment (whether because of a miscalculation of the Variable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the interest payment (and the corrected Variable Rate, if applicable) and (i) if the corrected amount of the installment payment represents an increase, then Borrower shall, within 30 calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated under this Note to pay to Lender had the amount of the installment payment not been miscalculated, or (ii) if the corrected amount of the installment payment represents a decrease thereof and Borrower is not otherwise in breach or default under any of the terms and provisions of this Note, the security instrument or any other Loan Document evidencing or securing this Note, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the installment payment not been miscalculated.

Borrower may make payments of principal in any amount on any business day of Lender during such time as the principal is accruing interest at the Variable Rate.

(e) If Borrower timely exercises Borrower's option to (i) convert the interest rate on this Note to another rate and (ii) cancel the Revolving Line of Credit provisions of this Note pursuant to Section C ("Conversion Option") of this Note, the applicable interest rate under this Note, beginning on the date the conversion becomes effective and continuing until the Maturity Date, shall not be the rate determined in accordance with subsection (a) of this Section 1 above, but shall be the rate established in accordance with Section 3 "Conversion Option" below. Such rate shall be reflected in an "Agreement to Convert" substantially in the form attached as Exhibit A to this Note. If Borrower has not earlier exercised the Conversion Option, the Revolving Line of Credit Provisions will expire on **July 1, 2023** and the Conversion Option will be deemed to be exercised by selecting the loan terms indicated in subparagraph (f) below.

(f) The following definitions shall apply to this Note:

Current Index: The Index that is published in The Wall Street Journal on the applicable Rate Change Date.

Index. Beginning with the initial Rate Change Date, the variable interest rate will be based on an Index. The "Index" is the *One Month "London Interbank Offered Rate" (LIBOR) as published in the Wall Street Journal* 2 business days prior to the applicable Rate Change Date. The Index percentage will be added to the Margin and then rounded to the nearest one hundredth of one percent (.01) subject to any limits. This rounded amount will be my new variable rate until the next Rate Change Date. If the Index is no longer available, the Note Holder will choose a new Index that is based on comparable information.

Margin: 2.250%.

First Interest Payment Date: July 1, 2018.

Revolving Loan Provisions Termination Date: July 1, 2023 .

First Principal Payment Date: January 1, 2024

Maturity Date: July 1, 2048.

Rate Change Date: 04/01/2018 and on the 1st of every month thereafter

Initial Variable Rate: 4.11%

INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an variable interest rate to another interest rate, as follows:

3. Interest Rate Conversion Option.

(a) **Option to Cancel Multiple Advance Provisions and Convert to Another Interest Rate.** Borrower may exercise the Conversion Option unless Borrower is in default under this Note or the security instrument if the conditions of this subsection 3(a) are met. Borrower will be conclusively deemed to have exercised the Conversion Option upon the date the Revolving Loan Provisions Termination Date. The "Conversion Option" is the Borrower's option to (i) cancel and convert the interest rate specified in this Note from a variable rate with no interest rate limits to the rate calculated under Section 3(b) below; and (ii) terminate and cancel the Revolving Loan provisions.

The conversion can only take place on a date a scheduled payment is due. The date on which the Borrower converts the variable interest rate to the converted rate is called the "Conversion Date."

The Borrower's ability to exercise the Conversion Option is conditioned upon and no conversion shall be effective without: (i) the Borrower giving the Lender written notice at least 21 days prior to the Conversion Date (at 11:00 a.m. Louisville, Kentucky time) that the Borrower wants to exercise the Conversion Option; (ii) at the Conversion Date, the Borrower must not be in default under the terms of this Note or the security instrument; (iii) payment to the Lender at or prior to the Conversion Date of all of Lender's out of pocket expense of completing such Conversion while maintaining its lien priority, and (iv) the Borrower's completion and execution of any documents the Lender requires to effect the conversion.

(b) **Calculation of Converted Rate.** Upon request from the Borrower, the Lender shall provide a list of the loan products then offered by the Federal Agricultural Mortgage Corporation ("Farmer Mac") with a maturity date similar to the maturity date of this Note subject to a four week mandatory delivery commitment, including any prepayment restrictions and yield maintenance provision applicable to such products. The description of loan products shall contain the then current rates applicable to such products, but the actual rate may be higher or lower and will be set as described in this paragraph. The Borrower may then give written notice of the Borrower's election to convert this Note to one of those products for the remaining term of this Note to the Maturity Date by selecting one of the listed products and requesting conversion of this Note to the selected product. The interest rate in effect for this Note after Conversion ("Converted Rate") will be an interest rate equal to the Farmer Mac required net yield for the selected loan product with a maturity similar to the maturity date of this Note subject to a four week mandatory delivery commitment, plus 0.250% (the "Modification Note Rate"), subject to any yield maintenance provision applicable to such product. The converted rate in effect as of the Conversion Date will be

MULTISTATE ADJUSTABLE RATE RIDER

equal to the rate calculated in the immediately preceding sentence as of 11:00 a.m. Louisville, Kentucky time, on the later of (a) the date which is four weeks prior to the Conversion Date and (b) the day lender receives Borrower's election to convert this Note. If this required net yield is not available, the Lender will determine the Converted Rate by using comparable information.

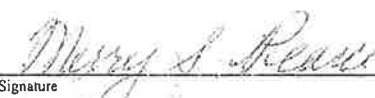
If Borrower elects to convert this Note, or is required to convert this Note by the terms hereof, but does not select a particular product from the list of available products by the date specified in the list of products, the product designated by Lender as the Default Product on the list of available products will be deemed to have been selected by Borrower.

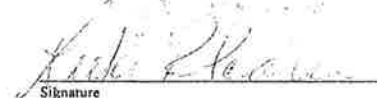
(c) **Calculation of New Payment.** Upon the Borrower's exercise of the Conversion Option, the Lender will determine the amount and payment schedule of the installments, which will be calculated to repay the unpaid principal (net of any principal payment due on the Conversion Date) in full over the period from the Conversion Date to the Maturity Date at the new interest rate in substantially equal payments applied first to interest and then to principal. Any remaining indebtedness, if not sooner paid, shall be due and payable on the Maturity Date.

To the extent that the Security Instrument and this Rider are inconsistent with each other, this Rider shall govern the agreements of the parties hereto.

By Signing Below, Borrower accepts and agrees to the terms and covenants contained in this Variable Rate Rider.

 4-17-18
Signature Date
Monty J Pearce

 4/17/18
Signature Date
Merry S Pearce

 4/17/18
Signature Date
Luke R Pearce

 4/17/18
Signature Date
Amber Pearce

[Sign Originals Only]

MULTISTATE ADJUSTABLE RATE RIDER

EXHIBIT 'A'

File No. 204285AM

PARCEL I

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;

Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;

Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;

Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road know as Thousand Springs Road;

Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;

Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

Thence S. 53°54'34"E. 348.47 feet to a set 5/8" iron pin lying along the north boundary of said Section 4;

Thence S. 89°37'36"E. 1398.00 feet along the said north boundary of Section 4 to a set 5/8" iron pin;

Thence S. 00°00'00"E. 712.00 feet to a set 5/8" iron pin;

Thence N. 89°37'36"W. 1087.41 feet to a set 5/8" iron pin;

Thence N. 32°47'18"W. 850.51 feet to the point of beginning.

PARCEL II

IN WASHINGTON COUNTY, IDAHO;

Township 12 North, Range 4 West of the Boise Meridian;
Section 4: Lots 3 and 4

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions.

Township 13 North, Range 4 West of the Boise Meridian;
Section 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$, and that part of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ described as follows;

Beginning at the Southeast corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32;
Thence West along the south line of said Subdivision 47 rods, more or less, to the East line of the County Road (Thousand Springs Road of record) running North and South through said Subdivision;
Thence Northwesterly along said Road, 36 rods, more or less, to the South line of former State Highway, as described in Right of Way deed to the State of Idaho recorded January 22, 1918 in Book 37 of Deeds at Page 36, official records of Washington County, Idaho;
Thence Northeasterly along the South line of said former State Highway to the East line of said Section 32;
Thence South to the place of beginning.

Township 13 North, Range 4 West of the Boise Meridian;
Section 33: SW $\frac{1}{4}$, Excepting that portion deeded to the State of Idaho in Highway Deeds recorded December 12, 1942 in Book 62 of Deeds at Page 234 and July 3, 1962 in Book 81 of Deeds at Page 605, official records of Washington County, Idaho.

EXCEPTING THEREFROM:

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;
Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;
Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;
Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road know as Thousand Springs Road;
Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;
Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

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Thence S. 53°54'34"E. 348.47 feet to a set 5/8" iron pin lying along the north boundary of said Section 4;

Thence S. 89°37'36"E. 1398.00 feet along the said north boundary of Section 4 to a set 5/8" iron pin;

Thence S. 00°00'00"E. 712.00 feet to a set 5/8" iron pin;

Thence N. 89°37'36"W. 1087.41 feet to a set 5/8" iron pin;

Thence N. 32°47'18"W. 850.51 feet to the point of beginning.

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I – Requirements; and Schedule B, Part II – Exceptions.

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Elko, described as follows:

PARCEL 1:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 17: E1/2; SW1/4;

Section 18: Lots 3 and 4; E1/2SW1/4; N1/2SE1/4; SE1/4SE1/4;

Section 20: NW1/4;

EXCEPTING FROM the NE1/4 of Section 17, TOWNSHIP 36 NORTH, RANGE 62 EAST, an undivided fifty percent (50%) of all oil, gas and other minerals, lying in and under said land, as reserved by ANNA M. NEILSON, a widow, in deed recorded December 10, 1956, in Book 71, Page 49, Deed Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 17 all that portion of said land as conveyed to Steven P. Safford and Margaretha C. Safford, husband and wife, by deed recorded April 15, 2013, as Document No. 670652, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM all of Parcel 1 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by Charles E. Schoer, et ux, in Deed recorded December 30, 1959, in Book 77, Page 544, Deed Records, Elko County, Nevada.

PARCEL 2:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: W1/2SW1/4;

Section 20: NE1/4; S1/2;

EXCEPTING THEREFROM, a parcel of land in the W1/2SW1/4 more particularly described as follows:

Beginning at Corner No. 1, which is also the west one quarter corner of Section 20, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.;

THENCE South along Section line 2,640.00 feet more or less to Corner No. 2, the Southwest corner of said Section 20;

THENCE East 920.00 feet more or less to Corner No. 3;

THENCE North 1°31'08" West 2,640.93 feet more or less along a fence now in place to Corner No. 4;

THENCE West 850.00 feet, more or less to Corner No. 1, the place of beginning.

Section 28: NW1/4; N1/2SW1/4;

EXCEPTING FROM all of Parcel 2 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by CHARLES E. SCHOER, et ux, in Deed recorded December 20, 1959, in Book 77, Page 541, Deed Records, Elko County, Nevada.

PARCEL 3:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: All that portion of the E1/2; NW1/4 and E1/2SW1/4; Lying westerly of the centerline of the Western Pacific Railroad Company railroad.

Section 18: Lots 5 and 6; SW1/4SE1/4;

EXCEPTING FROM those parcels in Section 16, all the oil and gas, lying in and under said land, as reserved by the United States of America in Patent recorded March 27, 1972, in Book 160, Page 643, Official Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

PARCEL 4:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M

Section 21: All

EXCEPTING THEREFROM a triangular piece of land in the NE1/4NE1/4 of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M. as conveyed to Western Pacific Railway Company in Deed recorded February 19, 1909, in Book 31, Page 71, Deed Records, Elko County, Nevada, more particularly described as follows:

Being all that portion of the NE1/4NE1/4NE1/4 of Section 21 included within a triangle bounded by the North and East line of said NE1/4NE1/4 and a line connecting said boundary lines running parallel with the center line of the located railroad of the Western Pacific Railway Company, and distant 100.00 feet westerly therefrom.

The said center line of said Western Pacific Railway, in so far as the same extends across the above described property, is particularly described as follows:

Beginning at the point in the North line of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M., said point being distant West, along said North line, 400.00 feet, more or less, from the Northeast Corner of said Section 21;

THENCE running South 19°02' East, 1,215.00 feet, more or less, to a point in the East line of said Section 21, said point being distant South, along said East line, 1,150.00 feet more or less, from said Northeast Corner of said Section 21.

PARCEL 5:

Parcels of land located in Sections 17 and 18, Township 36 North, Range 62 East, M.D.B.&M., Elko County, Nevada, being portions of Parcel 2 as shown on the parcel map for David K. and Patricia H. Anderson, on file in the Office of the Elko County Recorder, Elko, Nevada, as File No. 433786, more particularly described as follows:

Parcel 1:

Beginning at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17 bears North 00°17'04" West, 2576.54 feet, being Corner No. 1, the true point of beginning;

Thence South 89°59'33" East, 1978.87 feet, along the East-West 1/4 section line of said Section 17, to Corner No. 2;

Thence North 86°49'32" West, 3572.60 feet to Corner No. 3, a point being on the Westerly right of way of Nevada State Route 232;

Thence from a tangent bearing South 09°42'40" West, on a curve to the right, with a radius of 9970.00 feet, through a central angle of 01°05'49", for an arc length of 190.88, along the said Westerly right of way of Nevada State Route 232, to Corner No. 4;

Thence South 89°39'19" East, 1622.28 feet to Corner No. 1, the point of beginning.

Parcel 2:

Commencing at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17, bears North 00°17'04", 2576.54 feet, thence South 89°59'33" East, 2644.36 feet along the East-West 1/4 section line of said Section 17 to Corner No. 1, the true point of beginning;

Thence continuing South 89°59'33" East, 2.33 feet along the said East-West 1/4 section line of Section 17 to Corner No. 2, a point being the center 1/4 corner of said Section 17;

Thence North 00°15'39" West, 36.83 feet along the North-South 1/4 section line of said Section 17 to Corner No. 3;

Thence South 03°21'30" West, 36.89 feet to Corner No. 1, the point of beginning.

EXCEPTING THEREFROM all oil, gas, petroleum and minerals lying and under said land as conveyed to Hugh D. McMullen, et al, by deed recorded August 5, 1954, in Book 66, Page 174, Deed Records of Elko County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas, petroleum or petroleum products lying in and under said land as reserved by George Ralph and Velma Ralph, in deed recorded November 26, 1952, in Book 62, Page 289, Deed Records of Elko County, Nevada.

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Elko, described as follows:

TOWNSHIP 36 NORTH, RANGE 61 EAST, M.D.B.&M.

Section 1: All;
Section 11: All;
Section 12: All;
Section 13: All;
Section 14: All;
Section 22: E1/2;
Section 23: Lots 1 through 11; S1/2NE1/4; SE1/4NW1/4; E1/2SW1/4;

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 6: All;
Section 7: All;
Section 19: All;

EXHIBIT "A"

204249AM

Parcel I

In Twp. 7 N., R. 3 W., B.M., in Payette County, State of Idaho:

In Sec. 20: The NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcels:

Commencing at the Northwest corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;

Thence South 0°02'20" West along the West boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, a distance of 525.00 feet;

Thence South 89°57'40" East, distance of 400.00 feet;

Thence North 0°02'20" East, parallel with the said West boundary, a distance of 525.00 feet;

Thence North 89°57'40" West, along the North boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 400.00 feet to the point of beginning.

AND,

Commencing at the Northwest corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;

Thence South 0°02'20" West along the West boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, a distance of 525.00 feet to the True Point of

Beginning;

Thence South 89°57'40" East, a distance of 400.00 feet;

Thence North 0°02'20" East, parallel with said West boundary, a distance of 435.5 feet to a point on the Southwesterly right-of-way boundary of State Highway 52;

Thence South 48°38'20" East along said right-of-way boundary, a distance of 924.11 feet;

Thence South 41°21'40" West, a distance of 177.70 feet;

Thence South 88°34'05" West, a distance of 597.53 feet;

Thence South 80°43'30" West, a distance of 384.41 feet to a point on said West boundary;

Thence North 0°02'20" East along said West boundary a distance of 385.84 feet to the True Point of Beginning.

PARCEL II

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Sec. 20: S $\frac{1}{2}$ SE $\frac{1}{4}$.

In Sec. 29: N $\frac{1}{2}$ NE $\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Northeast corner of said Sec. 29;
Thence South 280 feet along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the TRUE POINT OF BEGINNING;
Thence West parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet;
Thence South parallel to the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet;
Thence East parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet to a point on the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the said East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel III:

A portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho more particularly described as follows:

Beginning at the Northeast corner of said Sec. 29;
Thence South 280 feet along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the TRUE POINT OF BEGINNING;
Thence West parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet;
Thence South parallel to the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet;
Thence East parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet to a point on the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel IV:

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Section 29: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, and all that portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ lying North and East of the right of way of the drain ditch of Drainage District No. 1 of Canyon County, Idaho;

AND the SE $\frac{1}{4}$ NE $\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Southeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet;
Thence North parallel to the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet;

EXHIBIT 'A'

File No. 204286AM

Township 16 North, Range 2 West, Boise Meridian, Adams County, Idaho:

Section 29: $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}NE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SE\frac{1}{4}SW\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}SE\frac{1}{4}$, $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$

Section 32: A tract of land more particularly described as follows:

Commencing at the section corner common to Sections 28, 29, 32 and 33 of said Township and Range;

thence $S 89^{\circ}45'18''$ W a distance of 2637.328 feet on and along the North section line of the said Section 32 to the North quarter corner of said section, which quarter corner is the REAL POINT OF BEGINNING;

thence continuing $S 89^{\circ}45'18''$ W on and along the North section line of the said Section 32 a distance of 1331.01 feet;

thence $S 55^{\circ}21'24''$ E, 464.320 feet;

thence $S 59^{\circ}05'30''$ E, 237.510 feet;

thence $S 65^{\circ}13'40''$ E, 166.415 feet;

thence $S 46^{\circ}15'42''$ E, 266.961 feet;

thence $S 31^{\circ}43'26''$ E, 308.015 feet;

thence $S 58^{\circ}33'43''$ E, 283.862 feet;

thence $N 00^{\circ}09'30''$ W, 1055.993 feet to the REAL POINT OF BEGINNING.

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EXHIBIT "A-1"

IRRIGATION EQUIPMENT & WATER RIGHTS Pearce

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Real Property or for the irrigation or drainage thereof, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such Property. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

Irrigation Equipment

Electric 100 hp GE motor, S/N GJJ704139
Two (2) - Reinke Center pivots, Model 2005 S/N 032197 and 0404-031507
Four (4) 1/4 mile wheel lines, S/N unknown

Water Rights

Private Water Rights									
Status	Application Number	Certificate / Permit	Volume / Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Vested Right		VO1703	525 afa	Decreed	Irrigation	211.2		Spring - Rice Creek	Part of a larger water right
Vested Right		VO1706	45.15 afa	Decreed	Irrigation	224.23		Spring - Rice Creek	
Vested Right		VO4094	Link	Decreed	Irrigation	72.46		Stream - Angel Creek	Part of a larger water right
Designated	28197	9965	608.78 afa	4/9/1982	Irrigation	172.19		Well #1	
Designated	43069	10147	586.82 afa	5/2/1922	Irrigation	200.23		Rice Creek	
Designated	72363	19130	788.85 afa	5/2/1922	Irrigation	268.7		Rice Creek	
Permit	82477		788.85 afa	1/22/2016	Irrigation		268.7	Well	Beneficial use must be obtained prior to 8/14/2018
Permit	85244		92.68 afa	8/28/1998	Irrigation	23.17		Well	Beneficial use must be obtained prior to 11/18/2020
Total						1172.48	268.7		

Above information based on State of Nevada Water Resources Department website as of November 17, 2017.

Water rights as assessed by the Idaho State Dept. of Water Resources:

112 shares provided by Letha Irrigation & Water Company
145 shares provided by Noble Ditch Company
91 shares provided by Stewart Ditch Company
285 shares provided by Certificate No.'s 65-2324 and 65-5452

Exhibit "A-1"
continued

Private Irrigation Water Rights								
Basis	WR #	Volume/ Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Private	65-2324	3.8 cfs	7/16/1924	Irrigation	188		Lateral B Drain, District No. One	Decreed Water Right - Not Assessed
Private	65-5452	1.94 cfs	4/4/1931	Irrigation	97		Lateral B Drain, District No. One	Decreed Water Right - Not Assessed
Total					285	0		

Above information based on Idaho Department of Water Resources website as of November 14, 2017.

District Irrigation Water Rights								
Basis	WR #	Volume/ Rate	Priority	Use	Primary Shares	Supplemental Irr. Acres	Source	Comments
Letha Irrigation & Water Co., Inc.				Irrigation	112		Certificates #180, #584, #604	1 Share = 1 Acre Assessed at \$2.25/share
Noble Ditch Company				Irrigation	145		Certificates #3234, #3959, #4058	1 Share = 1 Acre Assessed at \$15/share
Stewart Ditch Co.				Irrigation	91		Certificates #21 and #90	1 Share = 1 Acre Assessed at \$4/share
Farmers Co- Operative Irr Co.				Irrigation	40		Certificate #10922	1 Share = 1 Acre Assessed at \$14/share
Total					388			

Above information is verified with the appropriate irrigation company as of November 14, 2017.

Irrigation Equipment includes approximately 2,000 feet of Gated Pipe on the Shaw Tract.

Instrument # 315577

EMMETT, GEM, IDAHO
2018-04-04 04:02:27 PM No. of Pages: 37
Recorded for: AMERITITLE - WEISER
SHELLY TILTON Fee: \$66.00
Ex-Officio Recorder Deputy SStewart
Index To: MORTGAGE
Electronically Recorded by Simplifile

After Recording Return To:
Pacific Intermountain Mortgage Co
2420 Main Street
Baker City, OR 97814
Lisa Howarth

[Space Above This Line For Recording Data]

MORTGAGE

Security Agreement, Assignment of Rents and Fixture Filing

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in certain Sections of this document. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) "Security Instrument" means this document, which is dated March 27, 2018, together with all Riders to this document.

(B) "Borrower" is Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife.

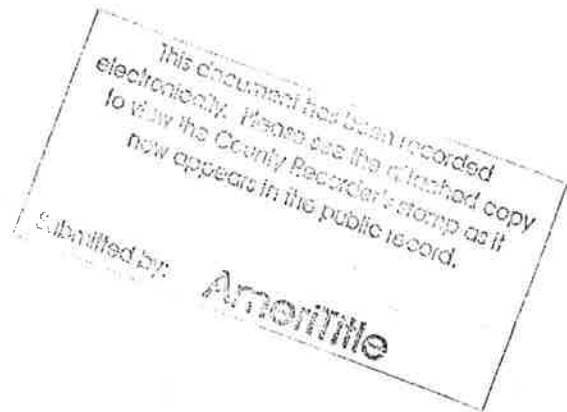
(C) "Lender" is Pacific Intermountain Mortgage Co. Lender is a corporation organized and existing under the laws of Oregon. Lender's address is 2420 Main Street Baker City, OR 97814. Lender is the beneficiary under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated March 27, 2018. The Note states that Borrower owes Lender Two Million One Hundred Forty Five Thousand and 00/100 Dollars (U.S. \$2,145,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than July 1, 2033.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

IDAHO—Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

After Recording Return To:
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IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" mean all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | |
|--|---|
| ☒ Irrigation Equipment Rider | ☒ Water Rights Rider |
| ☐ Financial Information and Covenants Rider | ☐ Permitted Prior Encumbrance Rider |
| ☐ Mortgage Insurance Rider | ☒ Other(s): Cross Default Rider, Cross Collateralization Rider |
| ☒ Adjustable Rate Rider | |

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(J) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(K) "Periodic Payment" means the regularly scheduled amount due for principal and interest under the Note

(L) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants, bargains, sells and conveys to Lender the following described property located in the County [Type of Recording Jurisdiction] of **Adams/Gem/Payette/Washington** [Name of Recording Jurisdiction]:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

which currently has the address of

**Agricultural Land, Adams/Gem/Payette/Washington,
Idaho
("Property Address"):**

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if said rider is attached (hereafter
IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

"Permitted Prior Encumbrances");

TOGETHER WITH all buildings, improvements, equipment, fixtures and permanent plantings located therein or thereon or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles there from, tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the real property now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

TOGETHER WITH all water and water rights now owned or hereafter acquired by Borrower and howsoever evidenced, including but not limited to any water rights specifically described in the Water Rights Rider if said rider is attached hereto, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real property, along with all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto;

TOGETHER WITH all personal property, including all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the real property, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Borrower and which are located on the real property in **Adams/Gem/Payette/Washington County, Idaho**, described above together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the real property, all of which are declared to be appurtenant to said real property, or incident to the ownership thereof, or used in connection therewith;

TOGETHER WITH all judgments, awards of damages, settlements and payments or security (i) hereafter made as a result of or in lieu of any taking of all or any part of the real property under the power of eminent domain or for any damage to the real property and/or the improvements located thereon, or any part thereof, and (ii) hereafter made for any damage to the real property and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the real property. Borrower does hereby covenant and agree that Borrower will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Lender;

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies covering the real property and/or the improvements located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

TOGETHER WITH all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the real property, whether now or hereafter existing or acquired;

TOGETHER WITH all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing;

TOGETHER WITH any and all of Borrower's right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving said property.

All replacements and additions shall also be covered by this Security Instrument.

All of the foregoing is referred to in this Security Instrument as the "Property."

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record and specifically those permitted prior encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if said rider is attached to this Security Instrument. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property, fixtures, and certain personal property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Prepayment Charges, Yield Maintenance Premiums and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any yield maintenance premiums, any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 12. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Unless required by Applicable Law, payments will be applied first to accrued unpaid interest, then second to principal, third to advances under this Security Instrument, and finally to late charges. Such payments shall be applied to each Periodic Payment in the order in which it became due.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 3.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

4. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, such failure shall constitute a default under the terms of this Security Instrument and the Loan. Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 4 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 25 or otherwise, Borrower hereby assigns to Lender (a) Borrower's

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rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

5. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 4 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Borrower will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Borrower will use good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan.

7. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e) perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 7, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 7. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this security instrument or other instrument providing security for the Note, to protect the Lender's interest in this security instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall become an obligation due and owing under the terms of the Note immediately upon the date advanced by Lender and is an obligation of the Borrower secured by the security instrument or other instrument providing security for the Note.

Any amounts disbursed by Lender under this Section 7 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable,

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

8. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend

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time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 15, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 17) and benefit the successors and assigns of Lender.

11. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

12. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

13. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

14. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

15. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 15, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 12 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 15.

17. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 12) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 25 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 17.

18. Hazardous Substances. As used in this Section 18: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

"Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences 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 residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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 of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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 Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

19. Additional Property Subject To The Security Instrument. This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of (the "UCC"). In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling, attached floor coverings, irrigation pipes and pumps, livestock fencing and pens, windmills and related equipment and pumps, grain bins and storage bins and specifically: See attached Exhibit "A-1" See attached Exhibit "A-1"

All water and water rights now owned or hereafter acquired by Debtor and howsoever evidenced, together with all water rights appurtenant to the mortgaged property such as water right applications, certificates or permits, and all shares of stock in any irrigation company or district, including without limitation water rights numbered 65-2324, 65-5452, 180, 584, 604, 3234, 3959, 408, 21, 90, 10922, V01703, V04091, V01706, 28107, 9965, 43069, 19147, 72363, 19130, 82477, and 85244, and 112 shares of stock in Letha Irrigation & Water Co., Inc., 145 shares of stock in Noble Ditch Company, 91 shares of stock in Stewart Ditch Co., and 40 shares of stock in Farmers Co-Operative Irrigation Co., also including but not limited to Exhibit "A-1", attached hereto and made a part hereof, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real estate described on Exhibit A, attached hereto and made a part hereof, all ditch and ditch rights and any shares of stock, licenses, permits, certificates and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom.

All irrigation equipment of every kind and nature, including but not limited to center irrigation pivots, pumps, pvc pipe, sprinklers and motors, now owned or hereafter acquired by Debtor and now or hereafter located and situated on the real estate described on Exhibit A attached hereto and made a part hereof, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this Security Instrument as the "Property."

20. Fixture Filing. This Security Instrument constitutes a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures per the UCC.

IDAHO—Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

21. Use of Property; Compliance With Law. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

22. Assignment of Leases. Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

23. Assignment of Rents; Appointment of Receiver; Lender In Possession. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Sections 12 and 25 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notices of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 7 of the Security Instrument.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph. Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

24. Cross-Default Provision. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

25. Remedies on Default. In some instances, federal and state law will require Lender to provide Borrower with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Note and foreclosure this Security Instrument in a manner provided by law if Borrower is in default. At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Note, other evidences of debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Note after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

existing default. By not exercising any remedy on Borrower's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

26. **Redemption.** The period of redemption after sale on foreclosure shall be one year if the real property sold consisted of a tract of land of more than twenty (20) acres, and within six (6) months after the sale if the real property sold consisted of a tract of land of twenty (20) acres or less. Any agreement to extend the redemption period must be in writing.

27. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for releasing the Property, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

NOTICE

UNDER IDAHO LAW, ANY PROMISE BY THE BANK TO GRANT OR EXTEND EXISTING CREDIT TO YOU MUST BE IN WRITING TO BE LEGALLY BINDING UPON THE BANK IF THE ORIGINAL AMOUNT OF SUCH CREDIT IS \$50,000 OR MORE.

Signature

Monty J Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

Signature

Merry S Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

Signature

Luke R Pearce

Mailing address:

1985 County Line Rd.

New Plymouth, ID 83655

Date

Signature

Amber Pearce

Mailing address:

1985 County Line Rd.

New Plymouth, ID 83655

Date

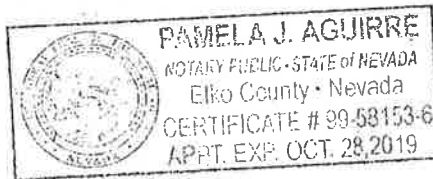
[Sign Originals Only]

STATE OF ID 11/12/18
COUNTY OF Elko

Before me, the undersigned authority, on this day personally appeared **Monty J Pearce, Merry S Pearce, Luke R Pearce, and Amber Pearce**, known or proved to me according to law to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she/they voluntarily executed the same for the purposes of consideration therein expressed, and in the capacity stated.

Given under my hand and seal this 27th day of March, 2018.

Notary, State of Nevada
Printed Name: Pamela J. Aguirre
My Commission Expires: 10/28/19



IRRIGATION EQUIPMENT RIDER

Loan # 21701854

THIS IRRIGATION EQUIPMENT RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

The Property also includes Borrower's interest in the irrigation equipment specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Property or for the irrigation or drainage thereof located on the Property, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such items and all proceeds (including insurance proceeds) from the sale or other disposition of any such items. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Irrigation Equipment Rider.

Signature

Monty J Pearce

Date

3-27-18

Signature

Merry S Pearce

Date

3/27/18

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

WATER RIGHTS RIDER

Loan # 21701854

THIS WATER RIGHTS RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]**

The Property also includes Borrower's interest in the water rights specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Borrower to use water for any purpose upon the Property. The above includes, but is not limited to the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Water Rights Rider.


Signature _____ Date _____
Monty J Pearce


Signature _____ Date _____
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's adjustable rate Note (the "Note") to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]**

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE PERIODIC PAYMENT

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

The Note has the following terms which provide for changes in the interest rate and periodic payments, as follows.

2. INTEREST

Prior to default, interest will be charged on unpaid principal until the full amount of Principal has been paid. Borrower will pay interest at a yearly rate of 4.750%. The interest rate Borrower will pay will change in accordance with this Section 2.

INITIAL ADJUSTMENT DATE. July 1, 2023.

ORIGINAL AMORTIZATION TERM. 25 years.

ADJUSTMENT FREQUENCY PERIOD. every five years

MARGIN 2.750%.

ADJUSTABLE RATE PROVISION. The interest rate stated in this Note is subject to adjustment by the Lender or any subsequent holder of this Note on the Initial Adjustment Date and on subsequent dates

established by the Adjustment Frequency Period thereafter. Any such change in the interest rate shall be made automatically but in no event shall the adjusted interest rate exceed the maximum interest rate then permitted by law. When the rate is adjusted the remaining current principal balance of the Note will be reamortized over the remaining amortization term to determine subsequent payment amounts. Lender reserves the right to not adjust the loan in the event of default. Notice of the adjusted rate and the new amortized payment will be sent to the Borrower after each interest rate adjustment.

INDEX. Beginning with the Initial Adjustment Date, the adjustable interest rate will be based on an Index. The "Index" is the *weekly average yield on United States Treasury securities* as made available by the Federal Reserve Board adjusted to a constant maturity equal to the Adjustment Frequency Period that is in effect on the 45th day before the applicable rate change date. The Index percentage will be added to the interest rate Margin to determine the adjustable rate. If the Index is no longer available, the Note Holder will choose a new index that is based on comparable information.

After default, interest will be charged on unpaid principal at the interest rate stated in Section 7 of this Note.

3. **SCHEDULED PAYMENTS**

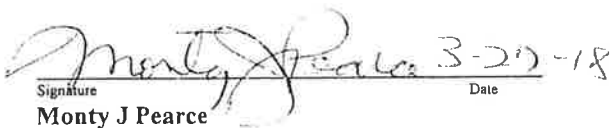
(A) **Time and Amount of Payments**

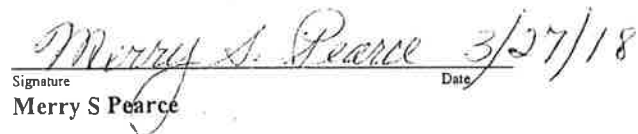
1 interest payment on July 1, 2018, with interest calculated from the date of closing on the unpaid principal balance at 4.750% per annum; 29 consecutive semi-annual principal and interest payments of \$73,750.94 each, beginning January 1, 2019, and the final payment of \$1,237,159.23 on July 1, 2033, which is called the "Maturity Date."

(B) **Place of Payments**

Borrower will make payments at 2420 Main Street, Baker City, OR 97814 or at a different place if required by Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

 3-27-18
Signature Date
Monty J Pearce

 3/27/18
Signature Date
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

CROSS COLLATERALIZATION RIDER

Loan # 21701854

THIS CROSS COLLATERALIZATION RIDER is made this **March 27, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington,
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>360,000.00/21701852</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>2,086,000.00/21701853</u>

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"). It is agreed that in addition to Borrower's Note, this Security Instrument secures the obligations, debts, and liabilities evidenced by the Other Notes and Other Security Instruments referenced herein, plus interest thereon, which is payable by Grantor to Lender and/or Federal Agricultural Mortgage Corporation.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Collateralization Rider.

Monty J Pearce 3/27/18
Signature Date
Monty J Pearce

Merry S Pearce 3/27/18
Signature Date
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

CROSS DEFAULT RIDER

Loan # 21701854

THIS CROSS DEFAULT RIDER is made this **March 27, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

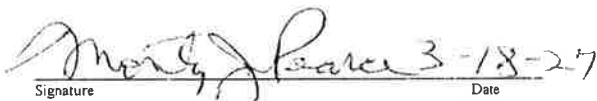
**Agricultural Land, Elko/Adams/Gem/Payette/Washington,
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$360,000.00/21701852
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$2,086,000.00/21701853

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"). It is agreed that any default under this Security Instrument or this Note shall be deemed a default under the Other Notes and Other Security Instruments; and any default under any or all of the Other Notes or Other Security Instruments shall be deemed to be a default under this Note and this Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Default Rider.


Signature _____ Date 3-18-27
Monty J Pearce


Signature _____ Date 3/27/18
Merry S Pearce

Luke Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

EXHIBIT 'A'

File No. 204285AM

PARCEL I

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;

Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;

Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;

Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road known as Thousand Springs Road;

Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;

Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

Thence S. 53°54'34"E. 348.47 feet to a set 5/8" iron pin lying along the north boundary of said Section 4;

Thence S. 89°37'36"E. 1398.00 feet along the said north boundary of Section 4 to a set 5/8" iron pin;

Thence S. 00°00'00"E. 712.00 feet to a set 5/8" iron pin;

Thence N. 89°37'36"W. 1087.41 feet to a set 5/8" iron pin;

Thence N. 32°47'18"W. 850.51 feet to the point of beginning.

PARCEL II

IN WASHINGTON COUNTY, IDAHO;

Township 12 North, Range 4 West of the Boise Meridian;

Section 4: Lots 3 and 4

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions.

Township 13 North, Range 4 West of the Boise Meridian;
Section 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$, and that part of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ described as follows;

Beginning at the Southeast corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32;
Thence West along the south line of said Subdivision 47 rods, more or less, to the East line of the County Road (Thousand Springs Road of record) running North and South through said Subdivision;
Thence Northwesterly along said Road, 36 rods, more or less, to the South line of former State Highway, as described in Right of Way deed to the State of Idaho recorded January 22, 1918 in Book 37 of Deeds at Page 36, official records of Washington County, Idaho;
Thence Northeasterly along the South line of said former State Highway to the East line of said Section 32;
Thence South to the place of beginning.

Township 13 North, Range 4 West of the Boise Meridian;
Section 33: SW $\frac{1}{4}$, Excepting that portion deeded to the State of Idaho in Highway Deeds recorded December 12, 1942 in Book 62 of Deeds at Page 234 and July 3, 1962 in Book 81 of Deeds at Page 605, official records of Washington County, Idaho.

EXCEPTING THEREFROM:

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;

Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;

Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;

Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road know as Thousand Springs Road;

Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;

Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions.

Thence S. $53^{\circ}54'34''$ E. 348.47 feet to a set $5/8''$ iron pin lying along the north boundary of said Section 4;

Thence S. $89^{\circ}37'36''$ E. 1398.00 feet along the said north boundary of Section 4 to a set $5/8''$ iron pin;

Thence S. $00^{\circ}00'00''$ E. 712.00 feet to a set $5/8''$ iron pin;

Thence N. $89^{\circ}37'36''$ W. 1087.41 feet to a set $5/8''$ iron pin;

Thence N. $32^{\circ}47'18''$ W. 850.51 feet to the point of beginning.

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I – Requirements; and Schedule B, Part II – Exceptions.

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Elko, described as follows:

PARCEL 1:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 17: E1/2; SW1/4;

Section 18: Lots 3 and 4; E1/2SW1/4; N1/2SE1/4; SE1/4SE1/4;

Section 20: NW1/4;

EXCEPTING FROM the NE1/4 of Section 17, TOWNSHIP 36 NORTH, RANGE 62 EAST, an undivided fifty percent (50%) of all oil, gas and other minerals, lying in and under said land, as reserved by ANNA M. NEILSON, a widow, in deed recorded December 10, 1956, in Book 71, Page 49, Deed Records, Elko County, Nevada,

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 17 all that portion of said land as conveyed to Steven P. Safford and Margaretha C. Safford, husband and wife, by deed recorded April 15, 2013, as Document No. 670652, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM all of Parcel 1 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by Charles E. Schoer, et ux, in Deed recorded December 30, 1959, in Book 77, Page 544, Deed Records, Elko County, Nevada.

PARCEL 2:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: W1/2SW1/4;

Section 20: NE1/4; S1/2;

EXCEPTING THEREFROM, a parcel of land in the W1/2SW1/4 more particularly described as follows:

Beginning at Corner No. 1, which is also the west one quarter corner of Section 20, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.;

THENCE South along Section line 2,640.00 feet more or less to Corner No. 2, the Southwest corner of said Section 20;

THENCE East 920.00 feet more or less to Corner No. 3;

THENCE North 1°31'08" West 2,640.93 feet more or less along a fence now in place to Corner No. 4;

THENCE West 850.00 feet, more or less to Corner No. 1, the place of beginning.

Section 28: NW1/4; N1/2SW1/4;

EXCEPTING FROM all of Parcel 2 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by CHARLES E. SCHOER, et ux, in Deed recorded December 20, 1959, in Book 77, Page 541, Deed Records, Elko County, Nevada.

PARCEL 3:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: All that portion of the E1/2; NW1/4 and E1/2SW1/4; Lying westerly of the centerline of the Western Pacific Railroad Company railroad.

Section 18: Lots 5 and 6; SW1/4SE1/4;

EXCEPTING FROM those parcels in Section 16, all the oil and gas, lying in and under said land, as reserved by the United States of America in Patent recorded March 27, 1972, in Book 160, Page 643, Official Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

PARCEL 4:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 21: All

EXCEPTING THEREFROM a triangular piece of land in the NE1/4NE1/4 of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M. as conveyed to Western Pacific Railway Company in Deed recorded February 19, 1909, in Book 31, Page 71, Deed Records, Elko County, Nevada, more particularly described as follows:

Being all that portion of the NE1/4NE1/4 of Section 21 included within a triangle bounded by the North and East line of said NE1/4NE1/4 and a line connecting said boundary lines running parallel with the center line of the located railroad of the Western Pacific Railway Company, and distant 100.00 feet westerly therefrom.

The said center line of said Western Pacific Railway, in so far as the same extends across the above described property, is particularly described as follows:

Beginning at the point in the North line of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M., said point being distant West, along said North line, 400.00 feet, more or less, from the Northeast Corner of said Section 21;

THENCE running South 19°02' East, 1,215.00 feet, more or less, to a point in the East line of said Section 21, said point being distant South, along said East line, 1,150.00 feet more or less, from said Northeast Corner of said Section 21.

PARCEL 5:

Parcels of land located in Sections 17 and 18, Township 36 North, Range 62 East, M.D.B.&M., Elko County, Nevada, being portions of Parcel 2 as shown on the parcel map for David K. and Patricia H. Anderson, on file in the Office of the Elko County Recorder, Elko, Nevada, as File No. 433786, more particularly described as follows:

Parcel 1:

Beginning at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17 bears North 00°17'04" West, 2576.54 feet, being Corner No. 1, the true point of beginning;

Thence South 89°59'33" East, 1978.87 feet, along the East-West 1/4 section line of said Section 17, to Corner No. 2;

Thence North 86°49'32" West, 3572.60 feet to Corner No. 3, a point being on the Westerly right of way of Nevada State Route 232;

Thence from a tangent bearing South 09°42'40" West, on a curve to the right, with a radius of 9970.00 feet, through a central angle of 01°05'49", for an arc length of 190.88, along the said Westerly right of way of Nevada State Route 232, to Corner No. 4;

Thence South 89°39'19" East, 1622.28 feet to Corner No. 1, the point of beginning.

Parcel 2:

Commencing at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17, bears North 00°17'04", 2576.54 feet, thence South 89°59'33" East, 2644.36 feet along the East-West 1/4 section line of said Section 17 to Corner No. 1, the true point of beginning;

Thence continuing South 89°59'33" East, 2.33 feet along the said East-West 1/4 section line of Section 17 to Corner No. 2, a point being the center 1/4 corner of said Section 17;

Thence North 00°15'39" West, 36.83 feet along the North-South 1/4 section line of said Section 17 to Corner No. 3;

Thence South 03°21'30" West, 36.89 feet to Corner No. 1, the point of beginning.

EXCEPTING THEREFROM all oil, gas, petroleum and minerals lying and under said land as conveyed to Hugh D. McMullen, et al, by deed recorded August 5, 1954, in Book 66, Page 174, Deed Records of Elko County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas, petroleum or petroleum products lying in and under said land as reserved by George Ralph and Velma Ralph, in deed recorded November 26, 1952, in Book 62, Page 289, Deed Records of Elko County, Nevada.

EXHIBIT "A"

204249AM

Parcel I

In Twp. 7 N., R. 3 W., B.M., in Payette County, State of Idaho:
In Sec. 20: The NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcels:

Commencing at the Northwest corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South 0°02'20" West along the West boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, a distance of 525.00 feet;
Thence South 89°57'40" East, distance of 400.00 feet;
Thence North 0°02'20" East, parallel with the said West boundary, a distance of 525.00 feet;
Thence North 89°57'40" West, along the North boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 400.00 feet to the point of beginning.

AND,

Commencing at the Northwest corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South 0°02'20" West along the West boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, a distance of 525.00 feet to the True Point of Beginning;
Thence South 89°57'40" East, a distance of 400.00 feet;
Thence North 0°02'20" East, parallel with said West boundary, a distance of 435.5 feet to a point on the Southwesterly right-of-way boundary of State Highway 52;
Thence South 48°38'20" East along said right-of-way boundary, a distance of 924.11 feet;
Thence South 41°21'40" West, a distance of 177.70 feet;
Thence South 88°34'05" West, a distance of 597.53 feet;
Thence South 80°43'30" West, a distance of 384.41 feet to a point on said West boundary;
Thence North 0°02'20" East along said West boundary a distance of 385.84 feet to the True Point of Beginning.

PARCEL II

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Sec. 20: $S\frac{1}{2}SE\frac{1}{4}$.

In Sec. 29: $N\frac{1}{2}NE\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Northeast corner of said Sec. 29;

Thence South 280 feet along the East line of said $NE\frac{1}{4}NE\frac{1}{4}$ to the TRUE POINT OF BEGINNING;

Thence West parallel to the North line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 220 feet;

Thence South parallel to the East line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 200 feet;

Thence East parallel to the North line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 220 feet to a point on the East line of said $NE\frac{1}{4}NE\frac{1}{4}$;

Thence North along the said East line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel III:

A portion of the $NE\frac{1}{4}NE\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho more particularly described as follows:

Beginning at the Northeast corner of said Sec. 29;

Thence South 280 feet along the East line of said $NE\frac{1}{4}NE\frac{1}{4}$ to the TRUE POINT OF BEGINNING;

Thence West parallel to the North line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 220 feet;

Thence South parallel to the East line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 200 feet;

Thence East parallel to the North line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 220 feet to a point on the East line of said $NE\frac{1}{4}NE\frac{1}{4}$;

Thence North along the East line of said $NE\frac{1}{4}NE\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel IV:

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Section 29. $NE\frac{1}{4}NW\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, and all that portion of the $SE\frac{1}{4}NW\frac{1}{4}$ lying North and East of the right of way of the drain ditch of Drainage District No. 1 of Canyon County, Idaho;

AND the $SE\frac{1}{4}NE\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Southeast corner of the $SE\frac{1}{4}NE\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said $SE\frac{1}{4}NE\frac{1}{4}$ a distance of 300 feet;

Thence North parallel to the East line of said $SE\frac{1}{4}NE\frac{1}{4}$ a distance of 726 feet;

Thence East parallel to the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet to a point on the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South along the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet to the TRUE POINT OF BEGINNING.

Parcel V:

All that portion of the E $\frac{1}{2}$ NE $\frac{1}{4}$ lying Southerly of the county road known as Thornock Road in Section 20, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho;

EXCEPTING THEREFROM the West 360 feet of the E $\frac{1}{2}$ NE $\frac{1}{4}$; and FURTHER EXCEPTING THEREFROM the South 330 feet of the SE $\frac{1}{4}$ NE $\frac{1}{4}$.

Parcel VI:

A parcel of land in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho, more particularly described as follows:

Beginning at the Southeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet;

Thence North parallel to the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet;

Thence East parallel to the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet to a point on the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;

Thence South along the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet to the TRUE POINT OF BEGINNING.

Parcel VII

SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho.

AND

That portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho lying North and East of the Noble Ditch.

EXHIBIT A

TRACT I:

That portion of the West half of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian, Gem County, Idaho, described as follows:

Commencing at the Southwest corner of the West half of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian; thence
North 00°38'20" East, 649.94 feet along the West line of said West half of the Southwest quarter to a point on the Northwesternly prolongation of the Northerly right of way of the Drainage District No. 1 of Canyon County drain ditch; thence
South 65°13'33" East, 109.58 feet along said Northerly right of way to the East line of that certain parcel of land described in Instrument No. 28956, records of Gem County Idaho, being the Point of Beginning; thence
North 00°38'20" East, 1673.42 feet along said East line being parallel to the West line of said Southwest quarter; thence
South 65°13'33" East, 1340.56 feet to a point on the East line of said West half of the Southwest quarter; thence
South 00°35'59" West, 1660.90 feet along the East line of said West half of the Southwest quarter to said Northerly right of way of the Drainage District No. 1 of Canyon County drain ditch; thence
North 79°16'31" West, 48.97 feet along said Northerly right of way; thence
North 65°13'33" West, 1288.97 feet along said Northerly right of way to the Point of Beginning.

TRACT II:

That portion of the Northwest quarter of the Southwest quarter and that portion of the Southwest quarter of the Northwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian, Gem County, Idaho described as follows:

Commencing at the Southwest corner of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian; thence
North 00°38'20" East, 2323.30 feet along the West line of the Southwest quarter; thence
South 65°13'33" East, 109.58 feet to a point on the East line of that certain parcel of land described in Instrument No. 28956 and 27571 records of Gem County, Idaho being the Point of Beginning; thence
North 00°38'20" East, 372.20 feet along said East line being parallel to said West line of the Southwest quarter; thence
North 00°37'08" East, 589.48 feet along said East line being parallel to the West line of the Northwest quarter of said Section 28; thence
South 65°13'33" East, 1340.07 feet to a point on the East line of the Southwest quarter of the Northwest quarter of said Section 28; thence
South 00°36'27" West, 70.18 feet along said East line; thence
South 00°35'59" West, 891.69 feet along the East line to the Northwest quarter of the Southwest quarter of said Section 28; thence
North 65°13'33" West, 1340.56 feet to the Point of Beginning.

EXHIBIT "A-1"

IRRIGATION EQUIPMENT & WATER RIGHTS Pearce

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Real Property or for the irrigation or drainage thereof, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such Property. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

Irrigation Equipment

Electric 100 hp GE motor, S/N GJJ704139

Two (2) - Reinke Center pivots, Model 2005 S/N 032197 and 0404-031507

Four (4) 1/4 mile wheel lines, S/N unknown

Water Rights

Private Water Rights									
Status	Application Number	Certificate / Permit	Volume / Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Vested Right		V01703	525 afa	Decreed	Irrigation	211.2		Spring - Rice Creek	Part of a larger water right
Vested Right		V01706	45.15 afa	Decreed	Irrigation	224.23		Spring - Rice Creek	
Vested Right		V04091	unk	Decreed	Irrigation	72.46		Stream - Angel Creek	Part of a larger water right
Designated	29197	9965	608.78 afa	4/9/1982	Irrigation	172.19		Well #1	
Designated	42069	19147	586.82 afa	5/2/1922	Irrigation	200.23		Rice Creek	
Designated	72363	19130	788.85 afa	5/2/1922	Irrigation	268.7		Rice Creek	
Permit	82477		788.85 afa	1/23/2016	Irrigation		268.7	Well	Beneficial use must be obtained prior to 8/14/2018
Permit	85244		92.88 afa	5/28/1993	Irrigation	23.17		Well	Beneficial use must be obtained prior to 11/16/2020
Total						1172.18	268.7		

Above information based on State of Nevada Water Resources Department website as of November 17, 2017.

Water rights as assessed by the Idaho State Dept. of Water Resources:

112 shares provided by Letha Irrigation & Water Company

145 shares provided by Noble Ditch Company

91 shares provided by Stewart Ditch Company

285 shares provided by Certificate No.'s 65-2324 and 65-5452

After Recording Return To:
Pacific Intermountain Mortgage Co
2420 Main Street
Baker City, OR 97814
Lisa Howarth

Instrument # 235475
STATE OF IDAHO, COUNTY OF WASHINGTON
2018-04-04 03:32:28 PM No. of Pages: 37
Recorded for: AMERITITLE - WEISER
BETTY J. THOMAS Fee: \$45.00
Ex-Officio Recorder Deputy MMcConnell
Index To: MORTGAGE FIXTURE FILING
Electronically Recorded by Simplifile

[Space Above This Line For Recording Data]

MORTGAGE

Security Agreement, Assignment of Rents and Fixture Filing

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in certain Sections of this document. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) "Security Instrument" means this document, which is dated March 27, 2018, together with all Riders to this document.

(B) "Borrower" is Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife.

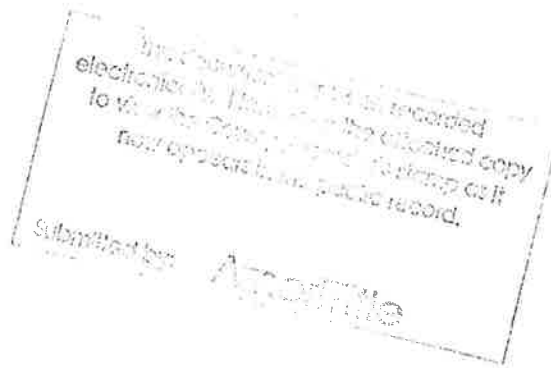
(C) "Lender" is Pacific Intermountain Mortgage Co. Lender is a corporation organized and existing under the laws of Oregon. Lender's address is 2420 Main Street Baker City, OR 97814. Lender is the beneficiary under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated March 27, 2018. The Note states that Borrower owes Lender Two Million One Hundred Forty Five Thousand and 00/100 Dollars (U.S. \$2,145,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than July 1, 2033.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

IDAHO--Former Mac UNIFORM INSTRUMENT (over 40 acres)

After Recording Return To:
Pacific Intermountain Mortgage Co
2420 Main Street
Baker City, OR 97814
Lisa Howarth



[Space Above This Line For Recording Data]

MORTGAGE

Security Agreement, Assignment of Rents and Fixture Filing

DEFINITIONS

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- (B) **“Borrower”** is **Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife.**
- (C) **“Lender”** is **Pacific Intermountain Mortgage Co.** Lender is a corporation organized and existing under the laws of **Oregon**. Lender’s address is **2420 Main Street Baker City, OR 97814**. Lender is the beneficiary under this Security Instrument.
- (D) **“Note”** means the promissory note signed by Borrower and dated **March 27, 2018**. The Note states that Borrower owes Lender **Two Million One Hundred Forty Five Thousand and 00/100 Dollars (U.S. \$2,145,000.00)** plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **July 1, 2033**.
- (E) **“Property”** means the property that is described below under the heading **“Transfer of Rights in the Property.”**

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" mean all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☒ Irrigation Equipment Rider

☒ Water Rights Rider

☐ Financial Information and Covenants Rider

☐ Permitted Prior Encumbrance Rider

☐ Mortgage Insurance Rider

☒ Other(s): **Cross Default Rider, Cross Collateralization Rider**

☒ Adjustable Rate Rider

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(J) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(K) "Periodic Payment" means the regularly scheduled amount due for principal and interest under the Note.

(L) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants, bargains, sells and conveys to Lender the following described property located in the County [Type of Recording Jurisdiction] of **Adams/Gem/Payette/Washington** [Name of Recording Jurisdiction]:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

which currently has the address of

**Agricultural Land, Adams/Gem/Payette/Washington,
Idaho**

("Property Address"):

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if said rider is attached (hereafter
IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

"Permitted Prior Encumbrances");

TOGETHER WITH all buildings, improvements, equipment, fixtures and permanent plantings located therein or thereon or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles there from, tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the real property now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

TOGETHER WITH all water and water rights now owned or hereafter acquired by Borrower and howsoever evidenced, including but not limited to any water rights specifically described in the Water Rights Rider if said rider is attached hereto, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real property, along with all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto;

TOGETHER WITH all personal property, including all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the real property, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Borrower and which are located on the real property in Adams/Gem/Payette/Washington County, Idaho, described above together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the real property, all of which are declared to be appurtenant to said real property, or incident to the ownership thereof, or used in connection therewith;

TOGETHER WITH all judgments, awards of damages, settlements and payments or security (i) hereafter made as a result of or in lieu of any taking of all or any part of the real property under the power of eminent domain or for any damage to the real property and/or the improvements located thereon, or any part thereof, and (ii) hereafter made for any damage to the real property and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the real property. Borrower does hereby covenant and agree that Borrower will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Lender;

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies covering the real property and/or the improvements located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

TOGETHER WITH all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the real property, whether now or hereafter existing or acquired;

TOGETHER WITH all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing;

TOGETHER WITH any and all of Borrower's right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving said property.

All replacements and additions shall also be covered by this Security Instrument.

All of the foregoing is referred to in this Security Instrument as the "Property."

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record and specifically those permitted prior encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if said rider is attached to this Security Instrument. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property, fixtures, and certain personal property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Prepayment Charges, Yield Maintenance Premiums and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any yield maintenance premiums, any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 12. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Unless required by Applicable Law, payments will be applied first to accrued unpaid interest, then second to principal, third to advances under this Security Instrument, and finally to late charges. Such payments shall be applied to each Periodic Payment in the order in which it became due.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 3.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

4. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, such failure shall constitute a default under the terms of this Security Instrument and the Loan. Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 4 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 25 or otherwise, Borrower hereby assigns to Lender (a) Borrower's

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rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

5. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 4 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Borrower will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Borrower will use good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan.

7. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e) perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 7, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 7. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this security instrument or other instrument providing security for the Note, to protect the Lender's interest in this security instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall become an obligation due and owing under the terms of the Note immediately upon the date advanced by Lender and is an obligation of the Borrower secured by the security instrument or other instrument providing security for the Note.

Any amounts disbursed by Lender under this Section 7 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable,

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with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

8. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend

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time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 15, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 17) and benefit the successors and assigns of Lender.

11. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

12. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

13. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

14. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

15. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 15, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 12 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency; instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 15.

17. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 12) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 25 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 17.

18. Hazardous Substances. As used in this Section 18: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

"Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences 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 residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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 of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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 Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

19. Additional Property Subject To The Security Instrument. This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of (the "UCC"). In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling, attached floor coverings, irrigation pipes and pumps, livestock fencing and pens, windmills and related equipment and pumps, grain bins and storage bins and specifically: See attached Exhibit "A-1" See attached Exhibit "A-1"

All water and water rights now owned or hereafter acquired by Debtor and howsoever evidenced, together with all water rights appurtenant to the mortgaged property such as water right applications, certificates or permits, and all shares of stock in any irrigation company or district, including without limitation water rights numbered 65-2324, 65-5452, 180, 584, 604, 3234, 3959, 408, 21, 90, 10922, V01703, V04091, V01706, 28107, 9965, 43069, 19147, 72363, 19130, 82477, and 85244, and 112 shares of stock in Letha Irrigation & Water Co., Inc., 145 shares of stock in Noble Ditch Company, 91 shares of stock in Stewart Ditch Co., and 40 shares of stock in Farmers Co-Operative Irrigation Co., also including but not limited to Exhibit "A-1", attached hereto and made a part hereof, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real estate described on Exhibit A, attached hereto and made a part hereof, all ditch and ditch rights and any shares of stock, licenses, permits, certificates and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom.

All irrigation equipment of every kind and nature, including but not limited to center irrigation pivots, pumps, pvc pipe, sprinklers and motors, now owned or hereafter acquired by Debtor and now or hereafter located and situated on the real estate described on Exhibit A attached hereto and made a part hereof, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this Security Instrument as the "Property."

20. Fixture Filing. This Security Instrument constitutes a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures per the UCC.

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

21. Use of Property; Compliance With Law. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

22. Assignment of Leases. Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

23. Assignment of Rents; Appointment of Receiver; Lender In Possession. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Sections 12 and 25 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notices of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 7 of the Security Instrument.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph. Lender or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

24. Cross-Default Provision. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

25. Remedies on Default. In some instances, federal and state law will require Lender to provide Borrower with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Note and foreclosure this Security Instrument in a manner provided by law if Borrower is in default. At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the Note, other evidences of debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether expressly set forth or not. The acceptance by Lender of any sum in payment or partial payment on the Note after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any

IDAHO--Farmer Mac UNIFORM INSTRUMENT (over 40 acres)

existing default. By not exercising any remedy on Borrower's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

26. Redemption. The period of redemption after sale on foreclosure shall be one year if the real property sold consisted of a tract of land of more than twenty (20) acres, and within six (6) months after the sale if the real property sold consisted of a tract of land of twenty (20) acres or less. Any agreement to extend the redemption period must be in writing.

27. Release. Upon payment of all sums secured by this Security Instrument, Lender shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for releasing the Property, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

NOTICE

UNDER IDAHO LAW, ANY PROMISE BY THE BANK TO GRANT OR EXTEND EXISTING CREDIT TO YOU MUST BE IN WRITING TO BE LEGALLY BINDING UPON THE BANK IF THE ORIGINAL AMOUNT OF SUCH CREDIT IS \$50,000 OR MORE.

Signature

Monty J Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

Signature

Merry S Pearce

Mailing address:

2001 County Line Rd

New Plymouth, ID 83655

Date

Signature

Luke R Pearce

Mailing address:

1985 County Line Rd.

New Plymouth, ID 83655

Date

Signature

Amber Pearce

Mailing address:

1985 County Line Rd.

New Plymouth, ID 83655

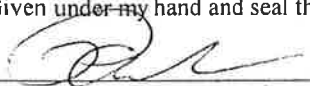
Date

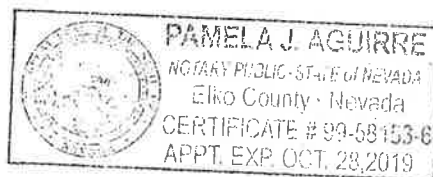
[Sign Originals Only]

STATE OF ID
COUNTY OF ELKO

Before me, the undersigned authority, on this day personally appeared **Monty J Pearce, Merry S Pearce, Luke R Pearce, and Amber Pearce**, known or proved to me according to law to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she/they voluntarily executed the same for the purposes of consideration therein expressed, and in the capacity stated.

Given under my hand and seal this 27th day of March, 2018.


Notary, State of Nevada
Printed Name: Pamela J. Aguirre
My Commission Expires: 10/28/19



IRRIGATION EQUIPMENT RIDER

Loan # 21701854

THIS IRRIGATION EQUIPMENT RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

The Property also includes Borrower's interest in the irrigation equipment specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Property or for the irrigation or drainage thereof located on the Property, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such items and all proceeds (including insurance proceeds) from the sale or other disposition of any such items. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this irrigation Equipment Rider.

Signature

Monty J Pearce

Date

Signature

Merry S Pearce

Date


Signature
Luke R Pearce

Date


Signature
Amber Pearce

Date
[Sign Originals Only]

WATER RIGHTS RIDER

Loan # 21701854

THIS WATER RIGHTS RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

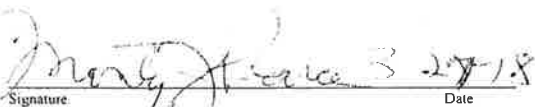
Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

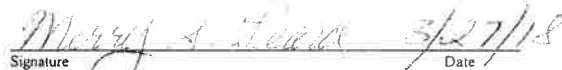
The Property also includes Borrower's interest in the water rights specifically described below and the uses, benefits and proceeds of Borrower's interest in and to same:

- All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Borrower to use water for any purpose upon the Property. The above includes, but is not limited to the following:

See attached Exhibit "A-1"

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Water Rights Rider.


Signature _____ Date 3/27/18
Monty J Pearce


Signature _____ Date 3/27/18
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
(Sign Originals Only)

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this **Twenty-seventh** day of **March, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's adjustable rate Note (the "Note") to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Agricultural Land, Elko/Adams/Gem/Payette/Washington
Nevada and Idaho,
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE PERIODIC PAYMENT

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

The Note has the following terms which provide for changes in the interest rate and periodic payments, as follows:

2. INTEREST

Prior to default, interest will be charged on unpaid principal until the full amount of Principal has been paid. Borrower will pay interest at a yearly rate of **4.750%**. The interest rate Borrower will pay will change in accordance with this Section 2.

INITIAL ADJUSTMENT DATE. **July 1, 2023.**

ORIGINAL AMORTIZATION TERM. **25 years.**

ADJUSTMENT FREQUENCY PERIOD. **every five years**

MARGIN **2.750%.**

ADJUSTABLE RATE PROVISION. The interest rate stated in this Note is subject to adjustment by the Lender or any subsequent holder of this Note on the Initial Adjustment Date and on subsequent dates

established by the Adjustment Frequency Period thereafter. Any such change in the interest rate shall be made automatically but in no event shall the adjusted interest rate exceed the maximum interest rate then permitted by law. When the rate is adjusted the remaining current principal balance of the Note will be reamortized over the remaining amortization term to determine subsequent payment amounts. Lender reserves the right to not adjust the loan in the event of default. Notice of the adjusted rate and the new amortized payment will be sent to the Borrower after each interest rate adjustment.

INDEX. Beginning with the Initial Adjustment Date, the adjustable interest rate will be based on an Index. The "Index" is the *weekly average yield on United States Treasury securities* as made available by the Federal Reserve Board adjusted to a constant maturity equal to the Adjustment Frequency Period that is in effect on the 45th day before the applicable rate change date. The Index percentage will be added to the interest rate Margin to determine the adjustable rate. If the Index is no longer available, the Note Holder will choose a new index that is based on comparable information.

After default, interest will be charged on unpaid principal at the interest rate stated in Section 7 of this Note.

3. SCHEDULED PAYMENTS

(A) Time and Amount of Payments

1 interest payment on July 1, 2018, with interest calculated from the date of closing on the unpaid principal balance at 4.750% per annum; 29 consecutive semi-annual principal and interest payments of \$73,750.94 each, beginning January 1, 2019, and the final payment of \$1,237,159.23 on July 1, 2033, which is called the "Maturity Date."

(B) Place of Payments

Borrower will make payments at 2420 Main Street, Baker City, OR 97814 or at a different place if required by Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.


Signature _____ Date 3-27-18
Monty J Pearce


Signature _____ Date 3/27/18
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce
[Sign Originals Only]

CROSS COLLATERALIZATION RIDER

Loan # 21701854

THIS CROSS COLLATERALIZATION RIDER is made this **March 27, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington,
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>360,000.00/21701852</u>
<u>Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce</u>	<u>04/02/2018</u>	<u>2,086,000.00/21701853</u>

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"). It is agreed that in addition to Borrower's Note, this Security Instrument secures the obligations, debts, and liabilities evidenced by the Other Notes and Other Security Instruments referenced herein, plus interest thereon, which is payable by Grantor to Lender and/or Federal Agricultural Mortgage Corporation.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Collateralization Rider.

Monty J Pearce 3-27-18
Signature Date
Monty J Pearce

Merry S Pearce 3/27/18
Signature Date
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date
Luke R Pearce

Amber Pearce 3/27/18
Signature Date
Amber Pearce

[Sign Originals Only]

CROSS DEFAULT RIDER

Loan # 21701854

THIS CROSS DEFAULT RIDER is made this **March 27, 2018**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **Pacific Intermountain Mortgage Co** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**Agricultural Land, Elko/Adams/Gem/Payette/Washington,
Nevada and Idaho
[Property Address]**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that on the date hereof the following other loans have been sold to Federal Agricultural Mortgage Corporation:

<u>Borrowers/Co-Signers' Names</u>	<u>Date</u>	<u>Loan Amount/Loan No.</u>
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$360,000.00/21701852
Monty J Pearce and Merry S Pearce and Luke R Pearce and Amber Pearce	04/02/2018	\$2,086,000.00/21701853

each of which is evidenced by a separate promissory note (the "Other Notes"), and each of which is secured by a separate mortgage, deed of trust, or security deed (the "Other Security Instruments"). It is agreed that any default under this Security Instrument or this Note shall be deemed a default under the Other Notes and Other Security Instruments; and any default under any or all of the Other Notes or Other Security Instruments shall be deemed to be a default under this Note and this Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Cross Default Rider.


Signature _____ Date **3-27-18**
Monty J Pearce


Signature _____ Date **3/27/18**
Merry S Pearce

Luke R Pearce 3/27/18
Signature Date

Luke R Pearce

Amber Pearce 3/27/18
Signature Date

Amber Pearce

[Sign Originals Only]

EXHIBIT 'A'

File No. 204285AM

PARCEL I

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho; said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;
Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;
Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;
Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road known as Thousand Springs Road;
Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;
Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;
Thence S. 53°54'34"E. 348.47 feet to a set 5/8" iron pin lying along the north boundary of said Section 4;
Thence S. 89°37'36"E. 1398.00 feet along the said north boundary of Section 4 to a set 5/8" iron pin;
Thence S. 00°00'00"E. 712.00 feet to a set 5/8" iron pin;
Thence N. 89°37'36"W. 1087.41 feet to a set 5/8" iron pin;
Thence N. 32°47'18"W. 850.51 feet to the point of beginning.

PARCEL II

IN WASHINGTON COUNTY, IDAHO;

Township 12 North, Range 4 West of the Boise Meridian;
Section 4: Lots 3 and 4

This page is only a part of a 2016 ALTA Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions.

Township 13 North, Range 4 West of the Boise Meridian;
Section 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$, and that part of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ described as follows;

Beginning at the Southeast corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32;
Thence West along the south line of said Subdivision 47 rods, more or less, to the East line of the County Road (Thousand Springs Road of record) running North and South through said Subdivision;
Thence Northwesterly along said Road, 36 rods, more or less, to the South line of former State Highway, as described in Right of Way deed to the State of Idaho recorded January 22, 1918 in Book 37 of Deeds at Page 36, official records of Washington County, Idaho;
Thence Northeasterly along the South line of said former State Highway to the East line of said Section 32;
Thence South to the place of beginning.

Township 13 North, Range 4 West of the Boise Meridian;
Section 33: SW $\frac{1}{4}$, Excepting that portion deeded to the State of Idaho in Highway Deeds recorded December 12, 1942 in Book 62 of Deeds at Page 234 and July 3, 1962 in Book 81 of Deeds at Page 605, official records of Washington County, Idaho.

EXCEPTING THEREFROM:

A parcel of land lying in a portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and a portion of Government Lots 3 and 4, Section 4, T.12N., R.4W., Boise Meridian, Washington County, Idaho and being more particularly described as follows:

Commencing at a found Aluminum Cap marking the Section Corner common to Sections 32 and 33, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 4 and 5, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument bears S.00°08'01"E. 5271.10 feet from a found Aluminum Cap marking the Section Corner common to Sections 28, 29, 32 and 33, T.13N., R.4W., B.M., Washington County, Idaho, said monument also bears S.89°47'47"E. 5263.41 from a set 5/8" iron pin marking the Section Corner common to Sections 31 and 32, T.13N., R.4W., Boise Meridian, Washington County, Idaho and Sections 5 and 6, T.12N., R.4W., Boise Meridian, Washington County, Idaho, said monument also marking the Real Point of Beginning;
Thence N. 89°47'47"W. 1315.85 feet along the south boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin marking the E 1/16 Corner common to said Section 32 and 5;
Thence N. 00°07'38"W. 1318.04 feet along the west boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to set 5/8" iron pin marking the SE 1/16 Corner of said Section 32;
Thence S. 89°47'06"E. 540.00 feet along the north boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 to a set 5/8" iron pin, said pin lying along the easterly side of an existing gravel road know as Thousand Springs Road;
Thence S. 30°59'29"E. 940.55 feet to a set 5/8" iron pin;
Thence S. 27°42'37"E. 350.28 feet to a set 5/8" iron pin;

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Thence S. 53°54'34"E. 348.47 feet to a set 5/8" iron pin lying along the north boundary of said Section 4;

Thence S. 89°37'36"E. 1398.00 feet along the said north boundary of Section 4 to a set 5/8" iron pin;

Thence S. 00°00'00"E. 712.00 feet to a set 5/8" iron pin;

Thence N. 89°37'36"W. 1087.41 feet to a set 5/8" iron pin;

Thence N. 32°47'18"W. 850.51 feet to the point of beginning.

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Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Elko, described as follows:

PARCEL 1:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 17: E1/2; SW1/4;

Section 18: Lots 3 and 4; E1/2SW1/4; N1/2SE1/4; SE1/4SE1/4;

Section 20: NW1/4;

EXCEPTING FROM the NE1/4 of Section 17, TOWNSHIP 36 NORTH, RANGE 62 EAST, an undivided fifty percent (50%) of all oil, gas and other minerals, lying in and under said land, as reserved by ANNA M. NEILSON, a widow, in deed recorded December 10, 1956, in Book 71, Page 49, Deed Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 17 all that portion of said land as conveyed to Steven P. Safford and Margaretha C. Safford, husband and wife, by deed recorded April 15, 2013, as Document No. 670652, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM all of Parcel 1 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by Charles E. Schoer, et ux, in Deed recorded December 30, 1959, in Book 77, Page 544, Deed Records, Elko County, Nevada.

PARCEL 2:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: W1/2SW1/4;

Section 20: NE1/4; S1/2;

EXCEPTING THEREFROM, a parcel of land in the W1/2SW1/4 more particularly described as follows:

Beginning at Corner No. 1, which is also the west one quarter corner of Section 20, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.;

THENCE South along Section line 2,640.00 feet more or less to Corner No. 2, the Southwest corner of said Section 20;

THENCE East 920.00 feet more or less to Corner No. 3;

THENCE North 1°31'08" West 2,640.93 feet more or less along a fence now in place to Corner No. 4;

THENCE West 850.00 feet, more or less to Corner No. 1, the place of beginning.

Section 28: NW1/4; N1/2SW1/4;

EXCEPTING FROM all of Parcel 2 all coal, oil, gas and other minerals of every kind and nature, lying in and under said land, as reserved by CHARLES E. SCHOER, et ux, in Deed recorded December 20, 1959, in Book 77, Page 541, Deed Records, Elko County, Nevada.

PARCEL 3:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M.

Section 16: All that portion of the E1/2; NW1/4 and E1/2SW1/4; Lying westerly of the centerline of the Western Pacific Railroad Company railroad.

Section 18: Lots 5 and 6; SW1/4SE1/4;

EXCEPTING FROM those parcels in Section 16, all the oil and gas, lying in and under said land, as reserved by the United States of America in Patent recorded March 27, 1972, in Book 160, Page 643, Official Records, Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded November 18, 2010 as Document No. 633404, Official Records of Elko County, Nevada.

FURTHER EXCEPTING FROM Section 18 all that portion of said land as conveyed to James W. Middagh and Karen L. Middagh, husband and wife, by deed recorded March 22, 2012, as Document No. 653410, Official Records of Elko County, Nevada.

PARCEL 4:

TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M

Section 21: All

EXCEPTING THEREFROM a triangular piece of land in the NE1/4NE1/4 of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M. as conveyed to Western Pacific Railway Company in Deed recorded February 19, 1909, in Book 31, Page 71, Deed Records, Elko County, Nevada, more particularly described as follows:

Being all that portion of the NE1/4NE1/4NE1/4 of Section 21 included within a triangle bounded by the North and East line of said NE1/4NE1/4 and a line connecting said boundary lines running parallel with the center line of the located railroad of the Western Pacific Railway Company, and distant 100.00 feet westerly therefrom.

The said center line of said Western Pacific Railway, in so far as the same extends across the above described property, is particularly described as follows:

Beginning at the point in the North line of Section 21, TOWNSHIP 36 NORTH, RANGE 62 EAST, M.D.B.&M., said point being distant West, along said North line, 400.00 feet, more or less, from the Northeast Corner of said Section 21;

THENCE running South 19°02' East, 1,215.00 feet, more or less, to a point in the East line of said Section 21, said point being distant South, along said East line, 1,150.00 feet more or less, from said Northeast Corner of said Section 21.

PARCEL 5:

Parcels of land located in Sections 17 and 18, Township 36 North, Range 62 East, M.D.B.&M., Elko County, Nevada, being portions of Parcel 2 as shown on the parcel map for David K. and Patricia H. Anderson, on file in the Office of the Elko County Recorder, Elko, Nevada, as File No. 433786, more particularly described as follows:

Parcel 1:

Beginning at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17 bears North 00°17'04" West, 2576.54 feet, being Corner No. 1, the true point of beginning;

Thence South 89°59'33" East, 1978.87 feet, along the East-West 1/4 section line of said Section 17, to Corner No. 2;

Thence North 86°49'32" West, 3572.60 feet to Corner No. 3, a point being on the Westerly right of way of Nevada State Route 232;

Thence from a tangent bearing South 09°42'40" West, on a curve to the right, with a radius of 9970.00 feet, through a central angle of 01°05'49", for an arc length of 190.88, along the said Westerly right of way of Nevada State Route 232, to Corner No. 4;

Thence South 89°39'19" East, 1622.28 feet to Corner No. 1, the point of beginning.

Parcel 2:

Commencing at the West 1/4 corner of said Section 17, a point from which the Northwest corner of said Section 17, bears North 00°17'04", 2576.54 feet, thence South 89°59'33" East, 2644.36 feet along the East-West 1/4 section line of said Section 17 to Corner No. 1, the true point of beginning;

Thence continuing South 89°59'33" East, 2.33 feet along the said East-West 1/4 section line of Section 17 to Corner No. 2, a point being the center 1/4 corner of said Section 17;

Thence North 00°15'39" West, 36.83 feet along the North-South 1/4 section line of said Section 17 to Corner No. 3;

Thence South 03°21'30" West, 36.89 feet to Corner No. 1, the point of beginning.

EXCEPTING THEREFROM all oil, gas, petroleum and minerals lying and under said land as conveyed to Hugh D. McMullen, et al, by deed recorded August 5, 1954, in Book 66, Page 174, Deed Records of Elko County, Nevada.

FURTHER EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas, petroleum or petroleum products lying in and under said land as reserved by George Ralph and Velma Ralph, in deed recorded November 26, 1952, in Book 62, Page 289, Deed Records of Elko County, Nevada.

EXHIBIT "A"

204249AM

Parcel I

In Twp. 7 N., R. 3 W., B.M., in Payette County, State of Idaho:
In Sec. 20: The NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcels:

Commencing at the Northwest corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South 0°02'20" West along the West boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, a distance of 525.00 feet;
Thence South 89°57'40" East, distance of 400.00 feet;
Thence North 0°02'20" East, parallel with the said West boundary, a distance of 525.00 feet;
Thence North 89°57'40" West, along the North boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 400.00 feet to the point of beginning.

AND,

Commencing at the Northwest corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South 0°02'20" West along the West boundary of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, a distance of 525.00 feet to the True Point of Beginning;
Thence South 89°57'40" East, a distance of 400.00 feet;
Thence North 0°02'20" East, parallel with said West boundary, a distance of 435.5 feet to a point on the Southwesterly right-of-way boundary of State Highway 52;
Thence South 48°38'20" East along said right-of-way boundary, a distance of 924.11 feet;
Thence South 41°21'40" West, a distance of 177.70 feet;
Thence South 88°34'05" West, a distance of 597.53 feet;
Thence South 80°43'30" West, a distance of 384.41 feet to a point on said West boundary;
Thence North 0°02'20" East along said West boundary a distance of 385.84 feet to the True Point of Beginning.

PARCEL II

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Sec. 20: S $\frac{1}{2}$ SE $\frac{1}{4}$.

In Sec. 29: N $\frac{1}{2}$ NE $\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Northeast corner of said Sec. 29;
Thence South 280 feet along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the TRUE POINT OF BEGINNING;
Thence West parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet;
Thence South parallel to the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet;
Thence East parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet to a point on the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the said East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel III:

A portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho more particularly described as follows:

Beginning at the Northeast corner of said Sec. 29;
Thence South 280 feet along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ to the TRUE POINT OF BEGINNING;
Thence West parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet;
Thence South parallel to the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet;
Thence East parallel to the North line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 220 feet to a point on the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the East line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 200 feet to the TRUE POINT OF BEGINNING.

Parcel IV:

In Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

In Section 29: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, and all that portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ lying North and East of the right of way of the drain ditch of Drainage District No. 1 of Canyon County, Idaho;

AND the SE $\frac{1}{4}$ NE $\frac{1}{4}$ SAVE AND EXCEPT the following described parcel:

Beginning at the Southeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet;
Thence North parallel to the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet;

Thence East parallel to the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet to a point on the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South along the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet to the TRUE POINT OF BEGINNING.

Parcel V:

All that portion of the E $\frac{1}{2}$ NE $\frac{1}{4}$ lying Southerly of the county road known as Thornock Road in Section 20, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho;
EXCEPTING THEREFROM the West 360 feet of the E $\frac{1}{2}$ NE $\frac{1}{4}$; and FURTHER EXCEPTING THEREFROM the South 330 feet of the SE $\frac{1}{4}$ NE $\frac{1}{4}$.

Parcel VI:

A parcel of land in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho, more particularly described as follows:

Beginning at the Southeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 29, Twp. 7 N., R. 3 W., B.M., Payette County, Idaho:

Thence West along the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet;

Thence North parallel to the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet;

Thence East parallel to the South line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 300 feet to a point on the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;

Thence South along the East line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ a distance of 726 feet to the TRUE POINT OF BEGINNING.

Parcel VII

SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho.

AND

That portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, Township 7 North, Range 3 West, Boise Meridian, Payette County, Idaho lying North and East of the Noble Ditch.

EXHIBIT A

TRACT I:

That portion of the West half of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian, Gem County, Idaho, described as follows:

Commencing at the Southwest corner of the West half of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian; thence North 00°38'20" East, 649.94 feet along the West line of said West half of the Southwest quarter to a point on the Northwesternly prolongation of the Northerly right of way of the Drainage District No. 1 of Canyon County drain ditch; thence South 65°13'33" East, 109.58 feet along said Northerly right of way to the East line of that certain parcel of land described in Instrument No. 28956, records of Gem County Idaho, being the Point of Beginning; thence North 00°38'20" East, 1673.42 feet along said East line being parallel to the West line of said Southwest quarter; thence South 65°13'33" East, 1340.56 feet to a point on the East line of said West half of the Southwest quarter; thence South 00°35'59" West, 1660.90 feet along the East line of said West half of the Southwest quarter to said Northerly right of way of the Drainage District No. 1 of Canyon County drain ditch; thence North 79°16'31" West, 48.97 feet along said Northerly right of way; thence North 65°13'33" West, 1288.97 feet along said Northerly right of way to the Point of Beginning.

TRACT II:

That portion of the Northwest quarter of the Southwest quarter and that portion of the Southwest quarter of the Northwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian, Gem County, Idaho described as follows:

Commencing at the Southwest corner of the Southwest quarter of Section 28, Township 7 North, Range 3 West, Boise Meridian; thence North 00°38'20" East, 2323.30 feet along the West line of the Southwest quarter; thence South 65°13'33" East, 109.58 feet to a point on the East line of that certain parcel of land described in Instrument No. 28956 and 27571 records of Gem County, Idaho being the Point of Beginning; thence North 00°38'20" East, 372.20 feet along said East line being parallel to said West line of the Southwest quarter; thence North 00°37'08" East, 589.48 feet along said East line being parallel to the West line of the Northwest quarter of said Section 28; thence South 65°13'33" East, 1340.07 feet to a point on the East line of the Southwest quarter of the Northwest quarter of said Section 28; thence South 00°36'27" West, 70.18 feet along said East line; thence South 00°35'59" West, 891.69 feet along the East line to the Northwest quarter of the Southwest quarter of said Section 28; thence North 65°13'33" West, 1340.56 feet to the Point of Beginning.

EXHIBIT 'A'

File No. 204286AM

Township 16 North, Range 2 West, Boise Meridian, Adams County, Idaho:

Section 29: $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}NE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SE\frac{1}{4}SW\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}SE\frac{1}{4}$, $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$

Section 32: A tract of land more particularly described as follows:

Commencing at the section corner common to Sections 28, 29, 32 and 33 of said Township and Range;

thence $S 89^{\circ}45'18''$ W a distance of 2637.328 feet on and along the North section line of the said Section 32 to the North quarter corner of said section, which quarter corner is the REAL POINT OF BEGINNING;

thence continuing $S 89^{\circ}45'18''$ W on and along the North section line of the said Section 32 a distance of 1331.01 feet;

thence $S 55^{\circ}21'24''$ E, 464.320 feet;

thence $S 59^{\circ}05'30''$ E, 237.510 feet;

thence $S 65^{\circ}13'40''$ E, 166.415 feet;

thence $S 46^{\circ}15'42''$ E, 266.961 feet;

thence $S 31^{\circ}43'26''$ E, 308.015 feet;

thence $S 58^{\circ}33'43''$ E, 283.862 feet;

thence $N 00^{\circ}09'30''$ W, 1055.993 feet to the REAL POINT OF BEGINNING.

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EXHIBIT "A-1"

IRRIGATION EQUIPMENT & WATER RIGHTS

Pearce

All fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Real Property or for the irrigation or drainage thereof, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such Property. Said fixtures, supplies, equipment and inventory include, but are not limited to, the following:

Irrigation Equipment

Electric 100 hp GE motor, S/N GJJ704139

Two (2) - Reinke Center pivots, Model 2005 S/N 032197 and 0404-031507

Four (4) 1/4 mile wheel lines, S/N unknown

Water Rights

Private Water Rights									
Status	Application Number	Certificate / Permit	Volume / Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Vested Right		V01703	525 afa	Decreed	Irrigation	211.2		Spring - Rice Creek	Part of a larger water right
Vested Right		V01706	45.15 afa	Decreed	Irrigation	224.23		Spring - Rice Creek	
Vested Right		V04091	unk	Decreed	Irrigation	72.46		Stream - Angel Creek	Part of a larger water right
Designated	28107	9965	608.76 afa	4/9/1982	Irrigation	172.19		Well #1	
Designated	43069	19147	586.82 afa	5/21/1922	Irrigation	200.23		Rice Creek	
Designated	72363	19130	788.85 afa	5/21/1922	Irrigation	268.7		Rice Creek	
Permit	82477		788.85 afa	1/22/2016	Irrigation		268.7	Well	Beneficial use must be obtained prior to 8/14/2018
Permit	85244		92.88 afa	5/28/1998	Irrigation	23.17		Well	Beneficial use must be obtained prior to 11/18/2020
Total						1172.18	268.7		

Above information based on State of Nevada Water Resources Department website as of November 17, 2017.

Water rights as assessed by the Idaho State Dept. of Water Resources:

112 shares provided by Letha Irrigation & Water Company

145 shares provided by Noble Ditch Company

91 shares provided by Stewart Ditch Company

285 shares provided by Certificate No.'s 65-2324 and 65-5452

Exhibit "A-1"
continued

Private Irrigation Water Rights								
Basis	WR #	Volume/ Rate	Priority	Use	Primary Irr. Acres	Supplemental Irr. Acres	Source	Comments
Private	65-2324	3.8 cfs	7/16/1924	Irrigation	188		Lateral B Drain, District No. One	Decreed Water Right - Not Assessed
Private	65-5452	1.94 cfs	4/4/1931	Irrigation	97		Lateral B Drain, District No. One	Decreed Water Right - Not Assessed
Total					285	0		

Above information based on Idaho Department of Water Resources website as of November 14, 2017.

District Irrigation Water Rights								
Basis	WR #	Volume/ Rate	Priority	Use	Primary Shares	Supplemental Irr. Acres	Source	Comments
Letha Irrigation & Water Co. Inc.				Irrigation	112		Certificates #160, #584, #604	1 Share = 1 Acre Assessed at \$2.25/share
Noble Ditch Company				Irrigation	145		Certificates #3234, #3959, #4058	1 Share = 1 Acre Assessed at \$15/share
Stewart Ditch Co.				Irrigation	91		Certificates #21 and #90	1 Share = 1 Acre Assessed at \$4/share
Farmers Co- Operative Irr Co.				Irrigation	40		Certificate #10922	1 Share = 1 Acre Assessed at \$14/share
Total					388			

Above information is verified with the appropriate irrigation company as of November 14, 2017.

Irrigation Equipment includes approximately 2,000 feet of Gated Pipe on the Shaw Tract

Instrument # 235558

STATE OF IDAHO, COUNTY OF WASHINGTON
2018-04-13 03:27:35 PM No. of Pages: 3
Recorded for: AMERITITLE - WEISER
BETTY J. THOMAS Fee: \$16.00
Ex-Officio Recorder Deputy MMcConnell
Index To: MORTGAGE - ASSIGNMENT OF
Electronically Recorded by Simplifile

Recording Requested By/Return To:

Pacific Intermountain Mortgage Co
Lisa Howarth
2420 Main Street
Baker City, OR 97814

[Space Above This Line For Recording]

ASSIGNMENT OF MORTGAGE

Loan # 21701854

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is 2420 Main Street, Baker City, OR 97814, does hereby grant, sell, assign, transfer and convey, unto U.S. Bank National Association, as Custodian/Trustee for Federal Agricultural Mortgage Corporation programs, (herein "Assignee"), whose address is 1133 Rankin Street, Suite 100, St. Paul, MN 55116, all beneficial interest under a certain Mortgage dated March 27, 2018, made and executed by Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife, to and in favor of Pacific Intermountain Mortgage Co, upon the following described property situated in Adams/Gem/Payette/Washington County, State of Idaho:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

such Mortgage having been given to secure payment of \$2,145,000.00, which Mortgage
(Original Amount of Principal)

is of record in the Real Property Records of Adams/Gem/Payette/Washington County, State of Idaho, together with the note(s) and obligations therein described, the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage.

Washington County No.: 235475

TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on
March 28, 2018.

Instrument # 132171

COUNCIL, ADAMS, IDAHO

04-13-2018 12:28:00 PM No. of Pages: 3

Recorded for: AMERITITLE - WEISER

SHERRY WARD Fee: \$15.00

Ex-Officio Recorder Deputy Clerk: *Missi Hering*

Indexed to: ASSIGNMENT

Recording Requested By/Return To:

Pacific Intermountain Mortgage Co
Lisa Howarth
2420 Main Street
Baker City, OR 97814

[Space Above This Line For Recording]

ASSIGNMENT OF MORTGAGE

Loan # 21701854

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TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on
March 28, 2018.

Multistate Mortgage Assignment - Single Family

11/02

181726150347 [Doc Id 1222 M06142010]

Instrument # 315672

EMMETT, GEM, IDAHO
2018-04-13 11:53:07 AM No. of Pages: 3
Recorded for: AMERITITLE - WEISER
SHELLY TILTON Fee: \$16.00
Ex-Officio Recorder Deputy SStewart
Index To: ASSIGNMENT DEED OF TRUST
Electronically Recorded by Simplifile

Recording Requested By/Return To:

Pacific Intermountain Mortgage Co
Lisa Howarth
2420 Main Street
Baker City, OR 97814

[Space Above This Line For Recording]

ASSIGNMENT OF MORTGAGE

Loan # 21701854

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See attached Exhibit "A" legal description attached hereto and made a part thereof.

such Mortgage having been given to secure payment of \$2,145,000.00, which Mortgage
(Original Amount of Principal)

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TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage:

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on
March 28, 2018

Multistate Mortgage Assignment - Single Family

11/02

181726150147 [Doc Id 1222 M06142010]

315672

Instrument # 414049

PAYETTE COUNTY
2018-04-13 11:51:06 AM No. of Pages: 3
Recorded for: AMERITITLE - WEISER
BETTY J DRESSEN Fee: \$16.00
Ex-Officio Recorder Deputy Melody Capener
Index To: ASSIGN. OF MORTGAGE
Electronically Recorded by Simplifile

Recording Requested By/Return To:

Pacific Intermountain Mortgage Co
Lisa Howarth
2420 Main Street
Baker City, OR 97814

_____[Space Above This Line For Recording]_____

ASSIGNMENT OF MORTGAGE

Loan # 21701854

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is 2420 Main Street, Baker City, OR 97814, does hereby grant, sell, assign, transfer and convey, unto U.S. Bank National Association, as Custodian/Trustee for Federal Agricultural Mortgage Corporation programs, (herein "Assignee"), whose address is 1133 Rankin Street, Suite 100, St. Paul, MN 55116, all beneficial interest under a certain Mortgage dated March 27, 2018, made and executed by Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife, to and in favor of Pacific Intermountain Mortgage Co, upon the following described property situated in Adams/Gem/Payette/Washington County, State of Idaho:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

such Mortgage having been given to secure payment of \$2,145,000.00, which Mortgage

(Original Amount of Principal)

is of record in the Real Property Records of Adams/Gem/Payette/Washington County, State of Idaho, together with the note(s) and obligations therein described, the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage.

TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage.

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on
March 28, 2018

This document has been recorded electronically. Please see the attached copy to view the County Recorder's stamp as it now appears in the public record.

Recording Requested By/Return To:

Submitted by: **AmeriTitle**

Pacific Intermountain Mortgage Co
Lisa Howarth
2420 Main Street
Baker City, OR 97814

[Space Above This Line For Recording]

ASSIGNMENT OF MORTGAGE

Loan # 21701854

For Value Received, the undersigned holder of a Mortgage (herein "Assignor") whose address is **2420 Main Street, Baker City, OR 97814**, does hereby grant, sell, assign, transfer and convey, unto **U.S. Bank National Association, as Custodian/Trustee for Federal Agricultural Mortgage Corporation programs**, (herein "Assignee"), whose address is **1133 Rankin Street, Suite 100, St. Paul, MN 55116**, all beneficial interest under a certain Mortgage dated **March 27, 2018**, made and executed by **Monty J Pearce and Merry S Pearce, husband and wife, and Luke R Pearce and Amber Pearce, husband and wife**, to and in favor of **Pacific Intermountain Mortgage Co**, upon the following described property situated in **Adams/Gem/Payette/Washington County, State of Idaho**:

See attached Exhibit "A" legal description attached hereto and made a part thereof.

such Mortgage having been given to secure payment of **\$2,145,000.00**, which Mortgage
(Original Amount of Principal)

is of record in the Real Property Records of **Adams/Gem/Payette/Washington County, State of Idaho**, together with the note(s) and obligations therein described, the money due and to become due thereon with interest, and all rights accrued or to accrue under such Mortgage.

Washington County No: 235475
TO HAVE AND TO HOLD the same unto Assignee, its successor and assigns, forever, subject only to the terms and conditions of the above-described Mortgage

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Mortgage on
March 28, 2018

Pacific Intermountain Mortgage Co

Lisa Howarth 3/28/18
Signature Date

Lisa Howarth, President

Kathy Knight
Witness

STATE OF OREGON COUNTY OF UNION

The foregoing instrument was acknowledged before me this 28 day of MARCH, 2018 by Lisa Howarth, President of Pacific Intermountain Mortgage Co, on behalf of said corporation.

Shilo Raine Costi
Notary Public
Printed Name: SHILO RAINE COSTI
My commission expires: DEC 19, 2021



This Instrument Prepared By:
PeirsonPatterson, LLP

**LAST PAGE
OF THE PACKAGE**

Kaiser, Anna

From: Kaiser, Anna
Sent: Wednesday, August 29, 2018 11:29 AM
To: 'Tasha Cook'
Subject: RE: Security Interest- Missing Information

Tasha,

Thank you for your quick response! That was the only incomplete section so the notice should be good to go now.

Thank you again,
Anna

From: Tasha Cook [mailto:Tasha.Cook@cgb.com]
Sent: Wednesday, August 29, 2018 9:07 AM
To: Kaiser, Anna <Anna.Kaiser@idwr.idaho.gov>
Subject: RE: Security Interest- Missing Information

Good morning Anna,

I apologize for the error.

The expiration date of notification period is until 7/1/2048.

Let me know if you need anything else. Thanks!!



From: Kaiser, Anna <Anna.Kaiser@idwr.idaho.gov>
Sent: Wednesday, August 29, 2018 10:59 AM
To: Tasha Cook <Tasha.Cook@cgb.com>
Subject: Security Interest- Missing Information

Good morning,

On Monday, August 27, 2018 we received the attached document (Notice of Security Interest in a Water Right) with supporting documentation. This document cannot be processed at this time as it is missing information describing the expiration date of notification period (highlighted in pink). We will hold your document for up to 30 days and begin processing once we receive that missing information. Please let us know if you have any further questions.

Thank you,
Anna

Anna Kaiser | Office Specialist II
IDWR-Western Region
2735 Airport Way, Boise ID 83705



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region • 2735 W AIRPORT WAY • BOISE, ID 83705-5082

Phone: (208)334-2190 • Fax: (208)334-2348 • Website: www.idwr.idaho.gov

C.L. "Butch" Otter
Governor

Gary Spackman
Director

August 29, 2018

CGB AGRI FINANCIAL SERVICES INC
2209 RIVER RD
LOUISVILLE KY 40206-1009

RE: Notice of Security Interest for Water Right/Permit No(s): 65-2324, 65-5452

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) 334-2190.

Sincerely,

Anna Kaiser
Office Specialist II

Enclosure(s)

c: MONTY PEARCE