

RECEIVED

JUL 06 2017

DEPT OF WATER RESOURCES
SOUTHERN 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.
72-6C	72-2149B	72-10246A	72-10312
72-14	72-2149G	72-10267	72-16633
72-32L	72-4163	72-10268	72-16635
72-32N	72-7077	72-10271	72-16637
72-189A	72-10263	72-10311	See Attached Exhibit A

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

WELLS FARGO BANK, NATIONAL ASSOCIATION

ATTN: PAUL NELSON

877 W. MAIN ST., BUSINESS BANKING - 3RD FLOOR

BOISE, ID 83702

Phone 208-519-3294

Email paul.nelson@wellsfargo.com

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

Challis Creek Cattle Company, LLC

5. Expiration Date of Notification Period

4/15/2023

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

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

Paul A Nelson

Title, if applicable

Sr. Business Relationship Manager, Wells Fargo Bank

SUPPORT DATA

IN FILE # 72-6C

For Office Use Only

Received by

AM

Date

7-6-2017

Receipt No.

5036213

Fee

\$600

Processed by AJ

Date

WR

Date

EXHIBIT A

Section 1 - Additional Water Rights/Claim Nos.

72-16639	72-16735	72-16742
72-16892	72-16894	

251298

RECORDATION REQUESTED BY:

Wells Fargo Bank, National Association
Idaho Falls Business Banking Center
320 "A" Street
MAC #U1701-020
Idaho Falls, ID 83402

WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association
BBSG - Boise Loan Ops LDI
P.O. Box 34656
San Antonio, TX 78265

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



200202214791000490

MORTGAGE

THIS MORTGAGE dated December 21, 2015, is made and executed between CHALLIS CREEK CATTLE COMPANY, L.L.C., An Idaho Limited Liability Company, whose address is 3852 CHALLIS CREEK RD, CHALLIS, ID 83226 (referred to below as "Grantor") and Wells Fargo Bank, National Association, whose address is 320 "A" Street, MAC #U1701-020, Idaho Falls, ID 83402 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances, all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Custer County, State of Idaho:

See Exhibit A attached hereto and made a part hereof.

The Real Property or its address is commonly known as 3850 CHALLIS CREEK RD, CHALLIS, ID 83226. The Real Property tax identification number is RP14N19E086011, RP14N19E172401A, RP14N19E046001A, RP14N19E080002A, RP14N19E087802, RP14N19E09092401A, RP14N19E170601A, RP15N20E038440, RP14N19E213003, RP14N19E215420, RP14N19E160302A, RP14N19E163001.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property, (2) use, operate or manage the Property, and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property, and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the

251298

Loan No: 1372316460

MORTGAGE (Continued)

Page 2

event Grantor becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, stone, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property, whether legal, beneficial or equitable; whether voluntary or involuntary, whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. The Real Property is or will be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and

any prior liens on the property securing the loan up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer, (2) the risks insured, (3) the amount of the policy, (4) the property insured, the then current replacement value of such property, and the manner of determining that value, and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand, (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy, or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below.

unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled in exercising its rights and remedies. Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

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**MORTGAGE
(Continued)**

Loan No: 1372316460

Page 6

CONSENT TO SELL LOAN. The parties hereto agree (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender, without notice and without the consent of the parties; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, without notice, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender; and (e) to waive all notices of sale of the loan, as well as all notices of any repurchase, and all rights of offset or counterclaim that the parties have now or later against Lender or against any purchaser of the loan.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

COMMUNITY AND OTHER PROPERTY. In addition to the rights of Lender under any applicable community property laws, Borrower, Guarantor or Grantor who is a Married Person and who has an interest in marital or community property under applicable law acknowledges and agrees that his/her obligation as a Borrower, Guarantor or Grantor is incurred in the interest of and to benefit the marital community (or domestic partnership, if applicable), and expressly agrees that recourse may be had against his or her separate property and his or her rights in community property and community assets for all of his or her obligations to Lender, in addition to any other property that may be subject to rights of Lender. Borrower and Guarantor also agree not to, without Lender's prior written consent, enter into any community property agreement which alters the separate or community property character of any of such party's property. For the purpose of this provision, "Married Person" means a person in a spousal relationship and shall include parties to a duly registered and/or legally recognized same-sex civil union, domestic partnership, and other terms, whether or not gender-specific in a spousal relationship, that denote spousal relationship, as those terms are used throughout the laws, codes and regulations of states and/or jurisdictions that recognize legally married same-sex couples, civil unions and/or domestic partnerships, and any references herein to a married person or marital status shall be deemed to also include the applicable corresponding term, or other reference relating to a party to a civil union or domestic partnership. With respect to the Guaranty only, to the extent this provision may conflict with another provision contained in the Guaranty, that other provision of the Guaranty shall control.

EXECUTION OF DOCUMENTS, CONSULTATION WITH COUNSEL. Each party hereto acknowledges and agrees that he/she/it has had an opportunity to review and consider the terms and provisions of this agreement and each related loan document, to consult with counsel of his/her/its choice, if desired, and to suggest changes to the structure and terms of the agreements. Each party hereto warrants and agrees that his/her/its execution of this agreement and any related loan documents is made voluntarily and with full knowledge of the significance and effect of such agreements.

DEFINITIONS OF INDEBTEDNESS AND PERSONAL PROPERTY. The definition of "Indebtedness" herein includes, without limitation, all liability of Borrower or other party having its obligations to Lender secured by this Mortgage, whether liquidated or unliquidated, defined, contingent, conditional or of any other nature whatsoever, and performance of all other obligations, arising under any swap, derivative, foreign exchange or hedge transaction or arrangement (or other similar transaction or arrangement howsoever described or defined) at any time entered into with Lender in connection with the Note. Notwithstanding anything to the contrary herein, the definition of "Personal Property" as used in this Mortgage is subject to the following limitation: If at any time the Real Property is located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, then while it is subject to that designation, the term "Personal Property" shall be limited to only those items specifically covered by Coverage A of the standard flood insurance policy issued in accordance with the National Flood Insurance Program or under equivalent coverage similarly issued by a private insurer to satisfy the National Flood Insurance Act (as amended). This limitation may also be present in the definition of Personal Property set forth in the definitions section of this Mortgage. This limitation is applicable only within the context of this Mortgage; this limitation does not limit or modify any collateral description contained in a separate security agreement or other collateral document granting to Lender rights or security interests in personal property.

ENCUMBRANCES. Grantor/Mortgagor/Trustor shall not, without Lender's consent, mortgage, assign, grant a lien upon or security interest in, or otherwise encumber the Property or any interest in the Property, or allow such a lien or security interest to exist or arise, whether voluntarily, involuntarily or by operation of law, except for liens and security interests in favor of Lender, or property taxes attributable to the Property which are not past due.

APPRAISALS, FEES AND EXPENSES. Grantor agrees that Lender may obtain appraisals and reappraisals and perform property evaluations and appraisal reviews of the Real Property when required by the regulations of the Federal Reserve Board or the Office of the Comptroller of the Currency, or any other regulatory agency, or at such other times as Lender may reasonably require. Appraisals shall be performed by an independent third party appraiser selected by Lender; property evaluations and appraisal reviews may be performed by third party appraisers or appraisers and staff of Lender. The fees, expenses and other cost of such appraisals, reappraisals, property evaluations and appraisal reviews shall be paid by Grantor. In addition, Grantor shall be responsible for payment of all fees and expenses of Lender and third parties relating to inspecting the Real Property, environmental review, title policies and endorsements (or title searches, abstracts of title or legal opinions of title where applicable), and monitoring the payment of property taxes, and any governmental taxes, fees and recording costs relating to this mortgage.

LEASES AND RENTS. Grantor/Trustor/Mortgagor presently assigns to Lender all of Grantor/Trustor/Mortgagor's right, title and interest in and to all present and future leases of the Property and all rents from the Property. This Assignment of Rents is given to secure (A) Payment of the Indebtedness and (B) Performance of any and all obligations under the Note and Mortgage/Deed of Trust. Grantor/Trustor/Mortgagor's present assignment to Lender hereunder is of all present and future leases includes all leases, licenses, rental agreements and other agreements of any kind relating to the use or occupancy of any of the Property, together with all guarantees of and security for any tenant's performance, and all extensions, renewals and modifications thereto (as used in this paragraph, each, a "Lease" and collectively, the "Leases"), together with any and all Rents from the Property. This assignment shall not impose upon Lender any duty to produce Rents, nor cause Lender to be a "mortgagee in possession," or responsible for performing any of the obligations of the lessor under any Lease. Lender confers upon Grantor/Trustor/Mortgagor a license to collect and retain the Rents as they come due, until the occurrence of any Event of Default, at which time the license shall be automatically revoked, and Lender, or its designated agent may, at its option and without notice, make, cancel, enforce or modify any Lease or Rents, collect Rents and do any acts which Lender deems proper to protect the security hereof or exercise any other right or remedy hereunder. Grantor/Trustor/Mortgagor represents and warrants that there exists no material default under present Leases and that those Leases are in full force and effect. Lender, at its option and without notice, may notify any tenant of this assignment of the Leases and Rents. Grantor/Trustor/Mortgagor agrees, at its expense, (i) to comply with and enforce all the terms and conditions under each Lease, and defend in any action in connection with any Lease; (ii) not to modify any Lease in any material respect, nor accept surrender under or terminate the term of any Lease, nor waive or release any tenant under any Lease; (iii) not to anticipate the Rents under any Lease; and (iv) to give prompt notice to Lender of any default by any tenant under any Lease, and of any notice of default on the part of Grantor/Trustor/Mortgagor.

under any Lease received from a tenant. Should Grantor/Trustor/Mortgagor fail to do any act required to be done by Grantor/Trustor/Mortgagor hereunder, then Lender, at its option and without notice, may make or do the same in such manner and to such extent as Lender deems necessary to protect the security hereof. Grantor/Trustor/Mortgagor agrees to pay to Lender immediately upon demand all sums expended under the authority hereof, including reasonable attorneys' fees, together with interest thereon at the highest rate per annum payable under any indebtedness, and the same, at Lender's option, may be added to the indebtedness and secured hereby.

ASSOCIATION OF UNIT OWNERS. The following provisions apply if the Real Property has been submitted to unit ownership law or similar law for the establishment of condominiums or cooperative ownership of the Real Property:

A. Power of Attorney. Grantor grants an irrevocable power of attorney to Lender to vote in Lender's discretion on any matter that may come before the association of unit owners. Lender shall have the right to exercise this power of attorney only after Grantor's default; however, Lender may decline to exercise this power as Lender sees fit.

B. Insurance. The insurance as required herein, may be carried by the association of unit owners on Grantor's behalf, and the proceeds of such insurance may be paid to the association of unit owners for the purpose of repairing or reconstructing the Property. If not so used by the association, such proceeds shall be paid to Lender.

C. Default. Grantor's failure to perform any of the obligations imposed on Grantor by the declaration submitting the Real Property to unit ownership, by the bylaws of the association of unit owners, or by any rules or regulations thereunder, shall be an event of default under this Mortgage. If Grantor's interest in the Real Property is a leasehold interest and such property has been submitted to unit ownership, any failure by Grantor to perform any of the obligations imposed on Grantor by the lease of the Real Property from its owner, any default under such lease which might result in termination of the lease as it pertains to the Real Property, or any failure of Grantor as a member of an association of unit owners to take any reasonable action within Grantor's power to prevent a default under such lease by the association of unit owners or by any member of the association shall be an Event of Default under this Mortgage.

FAILURE TO PROVIDE INSURANCE. Grantor/Trustor/Mortgagor ("Owner") acknowledges and agrees that if Owner fails to provide any required insurance on the terms set forth herein or in any Related Documents, or fails to continue such insurance in force in compliance with the requirements of this agreement or any Related Documents, Lender may purchase insurance at Owner's expense as provided therein. Such insurance may protect Lender's interests, and may otherwise protect none of, or less than all of, Owner's interests. The cost of any such insurance shall become a part of the indebtedness and shall be payable on demand or added to the Note as provided herein, at Lender's option. OWNER ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE MAY PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL UP TO THE BALANCE OF THE LOAN. HOWEVER, OWNER'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

LENDER TO BE NAMED LOSS PAYEE. All required policies and certificates of insurance shall name Mortgagee/Beneficiary as loss payee, and shall provide that the insurance cannot be terminated as to Mortgagee/Beneficiary except upon a minimum of ten (10) days' prior written notice to Mortgagee/Beneficiary. Immediately upon any request by Lender/Mortgagee/Beneficiary, Grantor/Trustor/Mortgagor shall deliver to Lender/Mortgagee/Beneficiary the original of all such policies or certificates, with receipts evidencing annual prepayment of the premiums.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, or any related note, instrument or agreement incorporating this Arbitration Program (the "Documents"), or any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, or any request for additional credit. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party's failure to do so shall result in that party's right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARBITRATED PURSUANT TO THIS ARBITRATION PROGRAM.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties, and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Note. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

B. No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral, (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

C. Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators, provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a

retired member of the state or federal judiciary, in other case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitrable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any request for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

F. Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

G. State Specific Provisions:

If Delaware, Pennsylvania or Virginia law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment pursuant to a warrant of attorney provision set forth in any note, guaranty or other Documents. No party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to (i) strike-off or open a judgment obtained by confession pursuant to a warrant of attorney contained in any note, guaranty or other Documents, or (ii) challenge the waiver of a right to prior notice and a hearing before judgment is entered, or after judgment is entered, but before execution upon the judgment. Any claims, disputes or controversies challenging the confession of judgment shall be commenced and prosecuted in accordance with the procedures set forth, and in the forum specified by the applicable state rules of civil procedure or other applicable law.

If Maryland law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment, and no party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to open a judgment obtained by confession. Nothing herein, including the arbitration requirement, shall limit the right of any party to foreclose judicially or non-judicially against any real or personal property collateral, or exercise judicial or non-judicial power of sale rights. No provision regarding submission to a jurisdiction and/or venue in any court or the waiver of any right to trial by jury is intended or shall be construed to be in derogation of the provisions for arbitration of any dispute. Any claim or counterclaim or defense raised in connection with Lender's exercise of any rights set forth in any note, guaranty or other Documents subject to this Arbitration Program shall be subject to the arbitration requirement.

If South Carolina law governs the Dispute, the following provision is included: **WAIVER OF JURY TRIAL.** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY DISPUTE AS SET FORTH IN THIS MORTGAGE, TO THE EXTENT ANY DISPUTE IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, LENDER AND MORTGAGOR WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LENDER AND MORTGAGOR, AND THEY HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. LENDER AND MORTGAGOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. MORTGAGOR FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

H. Real Property Collateral:

If California law governs the Dispute, the following provisions are included: Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of California, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable. If any such Dispute is not submitted to arbitration, the Dispute shall be referred to a referee in accordance with California Code of Civil Procedure Section 638 et seq., and this general reference agreement is intended to be specifically enforceable in accordance with said Section 638, as amended or replaced from time to time. A referee with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a referee shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645, as amended or replaced from time to time.

If Connecticut law governs the Dispute, the following provision is included: Real Property Collateral. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property located in Connecticut unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of Sections 49-1 and 49-14 et seq of the Connecticut General Statutes, as amended or replaced from time to time, thereby agreeing that all indebtedness and

obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

If Idaho, Kansas, Montana, Nevada, South Dakota or Virginia law governs the Dispute, the following provision is included:

Real Property Collateral. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Idaho, Kansas, Montana, Nevada, South Dakota or Virginia, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

If Utah law governs the Dispute, the following provision is included: **Real Property Collateral; Judicial Reference.** Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Utah, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable. If any such Dispute is not submitted to arbitration, the Dispute shall be referred to a master in accordance with Utah Rule of Civil Procedure 53, as amended or replaced from time to time, and this general reference agreement is intended to be specifically enforceable. A master with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a master shall be entered in the court in which such proceeding was commenced in accordance with Utah Rule of Civil Procedure 53(e), as amended or replaced from time to time.

L. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Note and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Idaho without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Idaho.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means CHALLIS CREEK CATTLE COMPANY, L.L.C. and includes all co-signers and co-makers signing the

2011.11.18

**MORTGAGE
(Continued)**

Loan No: 1372316460

Page 10

Note and all their successors and assigns

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means CHALLIS CREEK CATTLE COMPANY, L.L.C.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means Wells Fargo Bank, National Association, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated December 21, 2015 in the original principal amount of \$2,200,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness, except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

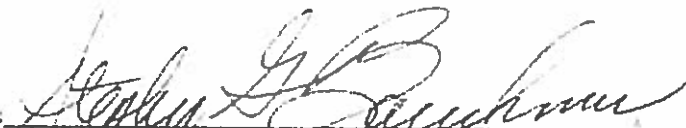
Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

CHALLIS CREEK CATTLE COMPANY, L.L.C.

By: 
Lyndella A. Bauchman, Managing Member of
CHALLIS CREEK CATTLE COMPANY, L.L.C.

By: 
Stephen B. Bauchman, Managing Member of
CHALLIS CREEK CATTLE COMPANY, L.L.C.

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Idaho)
COUNTY OF CUSTER) SS

On this 21st day of December in the year 20 15 before me Watsy Kindt, a notary public in and for the State of Idaho personally appeared Lyndella A Bauchman, Managing Member of CHALLIS CREEK CATTLE COMPANY, L.L.C., known or identified to me (or proved to me on the oath of _____), to be one of the members or designated agents in the limited liability company of CHALLIS CREEK CATTLE COMPANY, L.L.C., and the member or designated agent or one of the members or designated agents who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company name.

name: Ratony Kurodt
Notary Public for Idaho

Residing at Chillicothe, Ohio

My commission expires 3-31-16

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Idaho)
) SS
COUNTY OF Custer)

On this 27th day of December, in the year 2015, before me, Patsy Lindt
a notary public in and for the State of Idaho, personally appeared Stephen G Bachman, Managing
Member of CHALLIS CREEK CATTLE COMPANY, L.L.C., known or identified to me (or proved to me on the oath of
), to be one of the members or designated agents in the limited liability company of CHALLIS CREEK
CATTLE COMPANY, L.L.C., and the member or designated agent or one of the members or designated agents who subscribed said limited
liability company name to the foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company
name .

name Lacey Kimelt
Notary Public for Idaho

Residing at Waller, Colorado

My commission expires 3-24-76

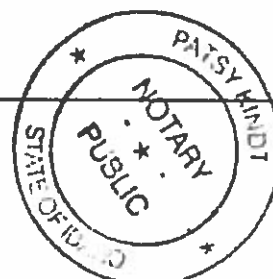


EXHIBIT A

(Description of Property)

Legal Description of Property

The land referred to in this commitment is situated in the State of Idaho, County of Custer and is described as follows:

TRACT 1:

TOWNSHIP 14 NORTH, RANGE 19 EAST, BOISE MERIDIAN, CUSTER COUNTY, IDAHO.

SECTION 4: SW $\frac{1}{4}$ SW $\frac{1}{4}$, and that part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ West of the land described in the Deed from Ulla Bradbury to William Thomas Gammache and Anthony D. Gammache, recorded January 26, 1977 as instrument No. 143462, records of Custer County, Idaho, more particularly described as:

Beginning at the Southwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$; thence East along the south line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$, 950 feet, more or less, to the Westerly line of said deed; thence North 11°01'24" West 1250 feet, more or less, to the North line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$; thence West along said North line 780 feet, more or less to the Northwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$; thence South along the West line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$, 1320 feet, more or less, to the POINT OF BEGINNING.

SECTION 8: E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ and that part of the W $\frac{1}{2}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Northeast of the following described line, which follows the existing fence line as of December 13, 1962,

The legal description of said boundary line fence as determined by a licensed surveyor is as follows:

Along the following described line across the NE $\frac{1}{4}$ NW $\frac{1}{4}$, the NW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8 in Township 14 North, Range 19 East, Boise Meridian, more particularly described as follows:

Beginning at a point on the North boundary of said Section 8, which lies East 2450.0 feet from the Northwest corner of Section 8, run thence South 500.0 feet, thence South 25°00' East, 200.0 feet, thence South 52°00' East, 200.0 feet; thence South 70°00' East, 200.0 feet; thence South 60°00' East, 135.0 feet; thence South 45°00' East, 140.0 feet; thence South 80°00' East, 460.0 feet, thence South 50°00' East, 200.0 feet; thence South 19°00' East, 150.0 feet; thence South 15°00' West, 372.0 feet; thence South 21°00' West, 447.0 feet; thence South 51°00' West, 780.0 feet to a point on the South boundary of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8 a distance of 240.0 feet East from the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8.

EXCEPTING THEREFROM that part, if any, conveyed in the Deed from Versal Sessions, et. ux., to Sylvester J. Dobbs, ex. ux., recorded December 13, 1962, in Book 34 of Deeds, Page 532, records of Custer County, Idaho, regarding land in said Section 8 and all rights of way for county roads.

CONTINUED:

ALSO EXCEPTING THEREFROM

2551298

A parcel of land located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 8, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho, more particularly described as follows:

Commencing at the West quarter corner of said Section 8, from which the Southwest corner of said Section bears South 00°08'16" West, a distance of 2619.65 feet, the basis of bearing of this description; run thence North 88°58'14" East, a distance of 2672.20 feet to the Northwest corner of the said NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the POINT OF BEGINNING; thence continuing North 88°58'14" East along the Northerly boundary of said NW $\frac{1}{4}$ SE $\frac{1}{4}$, a distance of 342.88 feet; thence South 00°14'23" West, a distance of 1287.32 feet to a point on the Northerly right of way of Challis Creek road; thence North 89°26'10" West along said right of way, a distance of 349.66 feet to a point on the Westerly boundary of said NW $\frac{1}{4}$ SE $\frac{1}{4}$; thence North 00°32'50" East, along said boundary a distance of 1277.73 feet to the POINT OF BEGINNING, as shown by the Record of Survey filed August 10, 2005, as instrument No. 232041, records of Custer County, Idaho.

ALSO EXCEPTING THEREFROM

Beginning at a point that is South 00°15'56" West along the Section line 1378.88 feet and North 82°32'42" West, 765.93 feet from the Northeast Corner of Section 8, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho; running thence North 82°32'42" West, 1137.70 feet; thence North 42°22'11" West, 51.28 feet to the Easterly bank of a creek; thence along said Easterly bank the following eight (8) courses: North 49°48'58" East, 111.05 feet; thence North 66°15'27" East, 66.41 feet; thence North 54°44'00" East, 166.27 feet; thence North 79°40'33" East, 193.88 feet; thence North 65°53'30" East, 204.20 feet; thence North 70°02'33" East, 260.48 feet; thence North 70°48'11" East, 152.57 feet; thence South 00°06'43" East, 882.30 feet to the POINT OF BEGINNING.

TOGETHER WITH a 30 foot wide access easement the centerline described as follows:

Beginning at a point that is South 00°15'56" West, along the section line 487.12 feet and North 89°44'04" West, 765.14 feet from the Northeast Corner of Section 8, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho; running thence South 00°06'43" East, 1218.47 feet; thence South 01°14'52" East, 87.98 feet; thence South 05°16'27" East, 90.00 feet; thence South 11°35'23" East, 237.08 feet; thence South 10°16'09" East, 284.95 feet; thence South 06°14'24" East, 267.83 feet; thence South 02°30'29" East, 1320 feet more or less to the centerline of Challis Creek Road.

SECTION 9: NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ and that part of the E $\frac{1}{2}$ NW $\frac{1}{4}$ West of the land described in the deed previously referred to from Ella Bradbury to William Thomas Gammache, et. al., and West of the land described in the deed from Karen K. Evans to Rodney E. Evans, recorded May 14, 1979, as instrument No. 150076, records of Custer County, Idaho, described as:

Beginning at the Southwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, thence East along the South line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 420 feet, more or less, to a corner of the land described in said Evans deed, thence North 700 feet; thence East 426 feet; thence North 1080 feet to Challis Creek at a point 450 feet West of the East line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$; thence East 257 feet, which point is also the Southwesterly corner of said Gammache land; thence North 11°01'24" West along the Westerly line of said Gammache land 900 feet, more or less, to the North line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$; thence West to the Northwest corner of said NE $\frac{1}{4}$ NW $\frac{1}{4}$, thence South along the West line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$ and along the West line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 2,640 feet, more or less, to the POINT OF BEGINNING.

SECTION 17: W $\frac{1}{2}$ NE $\frac{1}{4}$

EXCEPTING THEREFROM All county road right of way

2051-108

AND:

TRACT III:

Township 15 North, Range 20 East, Boise Meridian, Custer County, Idaho

Sections 3; Lots 10 and 11

EXCEPTING THEREFROM: U.S. Highway right-of-way
ALSO EXCEPTING THEREFROM:

A parcel of land located in Government Lot 10, Section 3, Township 15 North, Range 20 East, Boise Meridian, Custer County, Idaho, more particularly described as follows:

Beginning at the SW corner of said Section 3, from which the SE corner of Section 3 bears South 89°42'21" East, 2640.84 feet, the Basis of Bearing of this description, run thence North 89°52'51" West along the Southerly boundary of Section 3 a distance of 308.75 feet to a point on the Southerly right-of-way of U.S. Highway 93; thence North 61°55'21" East along said right-of-way a distance 751.21 feet, thence South 17°01'53" East a distance of 372.94 feet to a point on said Southerly boundary of Section 3; thence North 89°42'21" West along said Southerly boundary a distance of 463.29 feet to the POINT OF BEGINNING.
EXCEPTING THEREFROM: U.S. Highway right-of-way

TRACT V:

A parcel of land located in the NW 1/4, Section 15 and the North 1/2 and the SE 1/4, Section 16, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho, more particularly described as follows:

Commencing at the NW corner of said Section 16 from which the NE corner of said section bears South 89°29'25" East, 5295.24 feet, the Basis of Bearing of this description, run thence South 89°29'25" East along the northerly boundary of said Section 16 a distance of 977.87 feet to the POINT OF BEGINNING, thence continuing South 89°29'25" East along said boundary a distance of 4317.37 feet to the NW corner of said Section 15; thence North 89°55'18" East along the northerly boundary of said section a distance of 217.37 feet to a point on an existing fence extended; thence the following courses and distances along said fence: South 04°45'54" West, 2642.46 feet; North 89°23'03" West, 492.37 feet; thence South 48°25'28" West a distance of 664.02 feet to a point on an existing fence extended, said fence being the northerly fence of an existing hay yard; thence South 88°37'35" West along said fence line a distance of 358.80 feet to a intersection with an existing fence running in a north and south direction; thence North 04°59'35" West along said fence a distance of 160.93 feet; thence North 87°53'06" West a distance of 957.53 feet to the SE corner of the lands described in the deed recorded April 8, 1981, as instrument No. 157781, records of Custer County, Idaho, thence the following courses and distances:

North 00°06'17" East, 261.65 feet; North 89°27'15" West, 874.56 feet to the SE corner of the lands described in the deed recorded December 13, 1994, as instrument No. 207914, records of Custer County, Idaho; thence North 03°36'34" West along the easterly boundary on said property a distance of 882.73 feet to a point on the southerly boundary of the property shown on Record of Survey Inst. No. 171929; recorded June 4, 1984, records of Custer County, Idaho, thence the following courses and distances along said South and East line of the above Record of Survey:
South 89°30'29" East, 50.60 feet; North 20°47'53" West, 158.89 feet; North 04°18'38" West, 291.53 feet; North 89°29'26" West, 853.80 feet to a point on the easterly right-of-way of Challis Creek Road; thence North 07°58'35" West along said right-of-way a distance of 1335.31 feet to the POINT OF BEGINNING.

RECORDATION REQUESTED BY:

Wells Fargo Bank, National Association
Boise
877 W. Main Street
Boise, ID 83702

WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association
BBOCS Business Lending Loan Operations Center LDI
P.O. Box 83119
San Antonio, TX 78265

253404

Custer County Reg. of

Custer County Title

Time *1:21 P M* Date *6/14/2017*

Lura H. Baker, Clerk

Deputy

43⁰⁰

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE



20000000000000485

THIS MODIFICATION OF MORTGAGE dated June 2, 2017, is made and executed between CHALLIS CREEK CATTLE COMPANY, L.L.C., An Idaho Limited Liability Company, whose address is 3852 Challis Creek Rd, Challis, ID 83226 (referred to below as "Grantor") and Wells Fargo Bank, National Association, whose address is 877 W. Main Street, Boise, ID 83702 (referred to below as "Lender").

MORTGAGE. Lender and Grantor have entered into a Mortgage dated December 21, 2015 (the "Mortgage") which has been recorded in Custer County, State of Idaho, as follows:

Recorded on December 22, 2015, as Instrument No. 251298, of the Official Records of Custer County, Idaho, as may have been modified from time to time ("Mortgage").

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property located in Custer County, State of Idaho:

See Exhibit A, which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 3850 Challis Creek Rd, Challis, ID 83226. The Real Property tax identification number is RP14N19E086011, RP14N19E172401A, RP14N19E046001A, RP14N19E080002A, RP14N19E087802, RP14N19E09092401A, RP14N19E170601A, RP15N20E038440, RP14N19E213003, RP14N19E215420, RP14N19E160302A.

MODIFICATION. Lender and Grantor hereby modify the Mortgage as follows:

The Mortgage is hereby modified to add the following:

WATER RIGHTS. The following shall be included in the definition of Real Property: all appurtenant water, watercourses, canal, irrigation rights, ditch rights, and water rights, including, but not limited to, rights to surface water, ground water, underground water, percolating waters, tributaries and non-tributaries, rights to any water from lakes, streams or other bodies of water, adjudicated, licensed, or permitted water and water rights, appropriated or unappropriated water and water rights, decreed or undecreed water and water rights, riparian and other water rights which are now owned or which are hereafter acquired by Grantor whether or not expressly excepted from the description of the Real Property, including but not limited to any and all appurtenant portions of Idaho Water Right Nos. 72-6C, 72-10268, 72-14, 72-10271, 72-32L, 72-32N, 72-1031, 72-10312, 72-189A, 72-16633, 72-2149B, 72-16635, 72-2149G, 72-16637, 72-4183, 72-16639, 72-7077, 72-16735, 72-10263, 72-16742, 72-10246A, 72-16892, 72-10267, 72-16894, and any other water rights, water right applications, water right licenses, water right decrees and water right permits that are or become appurtenant to or associated with the Real Property, and all water stock, all stock, shares of stock or other evidence of ownership (whether certificated or uncertificated) in any canal company, irrigation district, ditch company or other entity or association serving the Real Property, including but not limited to Gini Ditch Company, Inc., an Idaho corporation, and all deposits made with or other security given to utility companies by Grantor with respect to the Real Property, together with any and all present and future additions thereto, substitutions thereof, and replacements thereof, and further together with all present and future income, proceeds, earnings, increases, and substitutions of every kind and nature, including without limitation all payments, interest, profits, distributions, benefits, rights, options, warrants, dividends, stock dividends, stock splits, stock rights, regularity dividends, subscriptions, monies, claims for money due and to become due, proceeds of any insurance, shares of stock or different par value or no par value issued in substitution or exchange for shares and all other property. Grantor is entitled to receive on account thereof, including insurance, accounts, documents, instruments, chattel paper, investment property and general intangibles, and including any and all easements, rights of way, or similar rights benefitting Grantor of the Real Property regarding any of the foregoing.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all

MODIFICATION OF MORTGAGE (Continued)

Loan No: 1372316460/26

Page 2

persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, or any related note, instrument or agreement incorporating this Arbitration Program (the "Documents"), or any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, or any request for additional credit. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party's failure to do so shall result in that party's right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARBITRATED PURSUANT TO THIS ARBITRATION PROGRAM.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Note. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

B. No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

C. Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitrable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

F. Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

G. State Specific Provisions:

If Delaware, Pennsylvania or Virginia law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit, or preclude the right of Lender to confess judgment pursuant to a warrant of attorney provision set forth in any note, guaranty or other Documents. No party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to (i) strike-off or open a judgment obtained by confession pursuant to a warrant of attorney contained in any note, guaranty or other Documents, or (ii) challenge the waiver of a right to prior notice and a hearing before judgment is entered, or after judgment is

253404

Loan No: 1372316460/26

MODIFICATION OF MORTGAGE (Continued)

Page 3

entered, but before execution upon the judgment. Any claims, disputes or controversies challenging the confession of judgment shall be commenced and prosecuted in accordance with the procedures set forth, and in the forum specified by the applicable state rules of civil procedure or other applicable law.

If Maryland law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment, and no party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to open a judgment obtained by confession. Nothing herein, including the arbitration requirement, shall limit the right of any party to foreclose judicially or non-judicially against any real or personal property collateral, or exercise judicial or non-judicial power of sale rights. No provision regarding submission to a jurisdiction and/or venue in any court or the waiver of any right to trial by jury is intended or shall be construed to be in derogation of the provisions for arbitration of any dispute. Any claim or counterclaim or defense raised in connection with Lender's exercise of any rights set forth in any note, guaranty or other Documents subject to this Arbitration Program shall be subject to the arbitration requirement.

If South Carolina law governs the Dispute, the following provision is included: WAIVER OF JURY TRIAL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY DISPUTE AS SET FORTH IN THIS MORTGAGE, TO THE EXTENT ANY DISPUTE IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, LENDER AND MORTGAGOR WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LENDER AND MORTGAGOR, AND THEY HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. LENDER AND MORTGAGOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. MORTGAGOR FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

H. Real Property Collateral:

If California law governs the Dispute, the following provisions are included: Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of California, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable. If any such Dispute is not submitted to arbitration, the Dispute shall be referred to a referee in accordance with California Code of Civil Procedure Section 638 et seq., and this general reference agreement is intended to be specifically enforceable in accordance with said Section 638, as amended or replaced from time to time. A referee with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a referee shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645, as amended or replaced from time to time.

If Connecticut law governs the Dispute, the following provision is included: Real Property Collateral. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property located in Connecticut unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of Sections 49-1 and 49-14 et seq. of the Connecticut General Statutes, as amended or replaced from time to time, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

If Idaho, Kansas, Montana, Nevada, South Dakota or Virginia law governs the Dispute, the following provision is included: Real Property Collateral. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Idaho, Kansas, Montana, Nevada, South Dakota or Virginia, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

If Utah law governs the Dispute, the following provision is included: Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Utah, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable. If any such Dispute is not submitted to arbitration, the Dispute shall be referred to a master in accordance with Utah Rule of Civil Procedure 53, as amended or replaced from time to time, and this general reference agreement is intended to be specifically enforceable. A master with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a master shall be entered in the court in which such proceeding was commenced in accordance with Utah Rule of Civil Procedure 53(e), as amended or replaced from time to time.

I. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Note and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

253404

MODIFICATION OF MORTGAGE
(Continued)

Loan No: 1372316460/26

Page 4

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED JUNE 2, 2017.

GRANTOR:

CHALLIS CREEK CATTLE COMPANY, L.L.C.

By:

Lyndella A Bauchman, Managing Member of
CHALLIS CREEK CATTLE COMPANY, L.L.C.

By: Stephen G Bauchman
Stephen G Bauchman, Managing Member of
CHALLIS CREEK CATTLE COMPANY, L.L.C.

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

x Paul A. [Signature]
Authorized Signer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Idaho

COUNTY OF Custer

)
) SS
)

DAWN MAYDOLE
NOTARY PUBLIC
STATE OF IDAHO

On this 07 day of June, In the year 2020, before me, Maydole
a notary public in and for the State of Idaho, personally appeared Lyndella A Bauchman, Managing
Member of CHALLIS CREEK CATTLE COMPANY, L.L.C., known or identified to me (or proved to me on the oath of
) to be one of the members or designated agents in the limited liability company of CHALLIS CREEK
CATTLE COMPANY, L.L.C., and the member or designated agent or one of the members or designated agents who subscribed said limited
liability company name to the foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company
name.

Dawn Maydole
Notary Public for Idaho

Residing at Challis

My commission expires 11/14/2020

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

)
) SS
)

On this _____ day of _____, In the year 20____, before me
a notary public in and for the State of Idaho, personally appeared Stephen G Bauchman, Managing
Member of CHALLIS CREEK CATTLE COMPANY, L.L.C., known or identified to me (or proved to me on the oath of
) to be one of the members or designated agents in the limited liability company of CHALLIS CREEK
CATTLE COMPANY, L.L.C., and the member or designated agent or one of the members or designated agents who subscribed said limited
liability company name to the foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company
name.

Notary Public for Idaho

Residing at _____

My commission expires _____

253404

Loan No: 1372316460/26

MODIFICATION OF MORTGAGE
(Continued)

Page 5

LENDER ACKNOWLEDGMENT

STATE OF _____)

) SS

COUNTY OF _____)

On this _____ day of _____, in the year 20____, before me _____, a notary public in and for the State of Idaho, personally appeared _____ known or identified to me (or proved to me on the oath of _____), to be _____ authorized agent for Wells Fargo Bank, National Association that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of Wells Fargo Bank, National Association, duly authorized by the Wells Fargo Bank, National Association through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute said instrument and in fact executed this said instrument on behalf of Wells Fargo Bank, National Association.

Notary Public for Idaho

Residing at _____

My commission expires _____

253404

MODIFICATION OF MORTGAGE
(Continued)

Loan No: 1372316460/26

Page 4

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED JUNE 2, 2017.

GRANTOR:

CHALLIS CREEK CATTLE COMPANY, L.L.C.

By: Lyndella A Bauchman
Lyndella A Bauchman, Managing Member of
CHALLIS CREEK CATTLE COMPANY, L.L.C.

By: Stephen G Bauchman
Stephen G Bauchman, Managing Member of
CHALLIS CREEK CATTLE COMPANY, L.L.C.

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

x Paul
Authorized Signer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, in the year 20____, before me _____, a notary public in and for the State of Idaho, personally appeared Lyndella A Bauchman, Managing Member of CHALLIS CREEK CATTLE COMPANY, L.L.C., known or identified to me (or proved to me on the oath of _____), to be one of the members or designated agents in the limited liability company of CHALLIS CREEK CATTLE COMPANY, L.L.C., and the member or designated agent or one of the members or designated agents who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company name.

Notary Public for Idaho _____ Residing at _____
My commission expires _____

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, in the year 20____, before me _____, a notary public in and for the State of Idaho, personally appeared Stephen G Bauchman, Managing Member of CHALLIS CREEK CATTLE COMPANY, L.L.C., known or identified to me (or proved to me on the oath of _____), to be one of the members or designated agents in the limited liability company of CHALLIS CREEK CATTLE COMPANY, L.L.C., and the member or designated agent or one of the members or designated agents who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he or she executed the same in said limited liability company name.

Notary Public for Idaho _____ Residing at _____
My commission expires _____

253404

CALIFORNIA NOTARY ACKNOWLEDGMENT

For An Individual Acting In His/Her Own Right:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Orange) ss.

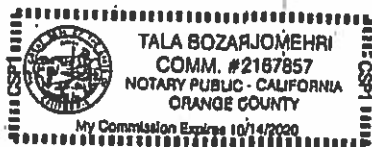
On 06/07/2017 before me, Tala Bozajomehri Notary Public, personally appeared
Lynndella D. Baichman

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

[NOTARIAL SEAL]



Tala Bozajomehri
Signature
Tala Bozajomehri
Print Name

My commission expires: 10/14/2020

HEL6850CA (1/15)

253404

Exhibit A

The land referred to in this commitment is situated in the State of Idaho, County of Custer and is described as follows:

TRACT 1:

TOWNSHIP 14 NORTH, RANGE 19 EAST, BOISE MERIDIAN, CUSTER COUNTY, IDAHO.

SECTION 4: SW $\frac{1}{4}$ SW $\frac{1}{4}$, and that part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ West of the land described in the Deed from Ella Bradbury to William Thomas Gammache and Anthony D. Gammache, recorded January 26, 1977 as instrument No. 143462, records of Custer County, Idaho, more particularly described as:

Beginning at the Southwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$; thence East along the south line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$, 950 feet, more or less, to the Westerly line of said deed; thence North 11°01'24" West 1250 feet, more or less, to the North line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$; thence West along said North line 780 feet, more or less, to the Northwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$; thence South along the West line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$, 1320 feet, more or less, to the POINT OF BEGINNING.

SECTION 8: E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ and that part of the W $\frac{1}{2}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Northeast of the following described line, which follows the existing fence line as of December 13, 1962,

The legal description of said boundary line fence as determined by a licensed surveyor is as follows:

Along the following described line across the NE $\frac{1}{4}$ NW $\frac{1}{4}$, the NW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8 in Township 14 North, Range 19 East, Boise Meridian, more particularly described as follows:

Beginning at a point on the North boundary of said Section 8, which lies East 2450.0 feet from the Northwest corner of Section 8, run thence South 500.0 feet; thence South 25°00' East, 200.0 feet; thence South 52°00' East, 200.0 feet; thence South 70°00' East, 200.0 feet; thence South 60°00' East, 135.0 feet; thence South 45°00' East, 140.0 feet; thence South 80°00' East, 460.0 feet; thence South 50°00' East, 200.0 feet; thence South 19°00' East, 150.0 feet; thence South 15°00' West, 372.0 feet; thence South 21°00' West, 447.0 feet; thence South 51°00' West, 780.0 feet to a point on the South boundary of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, a distance of 249.0 feet East from the Southwest corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8.

EXCEPTING THEREFROM that part, if any, conveyed in the Deed from Versal Sessions, et. ux., to Sylvester J. Dobbs, ex. ux., recorded December 13, 1962, in Book 34 of Deeds, Page 532, records of Custer County, Idaho, regarding land in said Section 8 and all rights of way for county roads.

CONTINUED:

ALSO EXCEPTING THEREFROM:

A parcel of land located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 8, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho, more particularly described as follows:

Commencing at the West quarter corner of said Section 8, from which the Southwest corner of said Section bears South 00°08'16" West, a distance of 2619.65 feet, the basis of bearing of this description: run thence North 88°58'14" East, a distance of 2672.20 feet to the Northwest corner of the said NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the POINT OF BEGINNING; thence continuing North 88°58'14" East along the Northerly boundary of said NW $\frac{1}{4}$ SE $\frac{1}{4}$, a distance of 342.88 feet; thence South 00°14'23" West, a distance of 1287.32 feet to a point on the Northerly right of way of Challis Creek road; thence North 89°26'10" West along said right of way, a distance of 349.66 feet to a point on the Westerly boundary of said NW $\frac{1}{4}$ SE $\frac{1}{4}$; thence North 00°32'50" East, along said boundary a distance of 1277.73 feet to the POINT OF BEGINNING, as shown by the Record of Survey filed August 10, 2005, as instrument No. 232041, records of Custer County, Idaho.

253404

Exhibit A (cont.)

ALSO EXCEPTING THEREFROM:

Beginning at a point that is South $00^{\circ}15'56''$ West along the Section line 1378.88 feet and North $82^{\circ}32'42''$ West, 765.93 feet from the Northeast Corner of Section 8, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho; running thence North $82^{\circ}32'42''$ West, 1137.70 feet; thence North $42^{\circ}22'11''$ West, 51.28 feet to the Easterly bank of a creek; thence along said Easterly bank the following eight (8) courses: North $49^{\circ}48'58''$ East, 111.05 feet; thence North $66^{\circ}15'27''$ East, 66.41 feet; thence North $54^{\circ}44'00''$ East, 166.27 feet; thence North $79^{\circ}40'33''$ East, 193.88 feet; thence North $65^{\circ}53'30''$ East, 204.20 feet; thence North $70^{\circ}02'33''$ East, 260.48 feet; thence North $70^{\circ}48'11''$ East, 152.57 feet; thence South $00^{\circ}06'43''$ East, 882.30 feet to the POINT OF BEGINNING.

TOGETHER WITH a 30 foot wide access easement the centerline described as follows:

Beginning at a point that is South $00^{\circ}15'56''$ West, along the section line 487.12 feet and North $89^{\circ}44'04''$ West, 765.14 feet from the Northeast Corner of Section 8, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho; running thence South $00^{\circ}06'43''$ East, 1218.47 feet; thence South $01^{\circ}14'52''$ East, 87.98 feet; thence South $05^{\circ}16'27''$ East, 90.00 feet; thence South $11^{\circ}35'23''$ East, 237.08 feet; thence South $10^{\circ}16'09''$ East, 284.95 feet; thence South $06^{\circ}14'24''$ East, 267.83 feet; thence South $02^{\circ}30'29''$ East, 1320 feet more or less to the centerline of Challis Creek Road.

SECTION 9: NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ and that part of the E $\frac{1}{2}$ NW $\frac{1}{4}$ West of the land described in the deed previously referred to from Ella Bradbury to William Thomas Gammache, et. al., and West of the land described in the deed from Karen K. Evans to Rodney E. Evans, recorded May 14, 1979, as instrument No. 150076, records of Custer County, Idaho, described as:

Beginning at the Southwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence East along the South line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 420 feet, more or less, to a corner of the land described in said Evans deed; thence North 700 feet; thence East 426 feet; thence North 1080 feet to Challis Creek at a point 450 feet West of the East line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$; thence East 257 feet, which point is also the Southwesterly corner of said Gammache land; thence North $11^{\circ}01'24''$ West along the Westerly line of said Gammache land 900 feet, more or less, to the North line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$; thence West to the Northwest corner of said NE $\frac{1}{4}$ NW $\frac{1}{4}$; thence South along the West line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$ and along the West line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 2,640 feet, more or less, to the POINT OF BEGINNING.

SECTION 17: W $\frac{1}{2}$ NE $\frac{1}{4}$

EXCEPTING THEREFROM All county road right of way

AND:

TRACT III:

Township 15 North, Range 20 East, Boise Meridian, Custer County, Idaho.

Sections 3: Lots 10 and 11

EXCEPTING THEREFROM: U.S. Highway right-of-way

ALSO EXCEPTING THEREFROM:

253404

Exhibit A (cont.)

A parcel of land located in Government Lot 10, Section 3, Township 15 North, Range 20 East, Boise Meridian, Custer County, Idaho, more particularly described as follows:

Beginning at the S $\frac{1}{4}$ corner of said Section 3, from which the SE corner of Section 3 bears South 89°42'21" East, 2640.84 feet, the Basis of Bearing of this description, run thence North 89°52'51" West along the Southerly boundary of Section 3 a distance of 308.75 feet to a point on the Southerly right-of-way of U.S. Highway 93; thence North 61°55'21" East along said right-of-way a distance 751.21 feet; thence South 17°01'53" East a distance of 372.94 feet to a point on said Southerly boundary of Section 3; thence North 89°42'21" West along said Southerly boundary a distance of 463.29 feet to the POINT OF BEGINNING. EXCEPTING THEREFROM: U.S. Highway right-of-way.

TRACT V:

A parcel of land located in the NW $\frac{1}{4}$, Section 15 and the North $\frac{1}{4}$ and the SE $\frac{1}{4}$, Section 16, Township 14 North, Range 19 East, Boise Meridian, Custer County, Idaho, more particularly described as follows:

Commencing at the NW corner of said Section 16 from which the NE corner of said section bears South 89°29'25" East, 5295.24 feet, the Basis of Bearing of this description, run thence South 89°29'25" East along the northerly boundary of said Section 16 a distance of 977.87 feet to the POINT OF BEGINNING; thence continuing South 89°29'25" East along said boundary a distance of 4317.37 feet to the NW corner of said Section 15; thence North 89°55'18" East along the northerly boundary of said section a distance of 217.37 feet to a point on an existing fence extended; thence the following courses and distances along said fence: South 04°45'54" West, 2642.46 feet; North 89°23'03" West, 492.37 feet; thence South 48°25'28" West a distance of 664.02 feet to a point on an existing fence extended, said fence being the northerly fence of an existing hay yard; thence South 88°37'35" West along said fence line a distance of 358.80 feet to a intersection with an existing fence running in a north and south direction; thence North 04°59'35" West along said fence a distance of 160.93 feet; thence North 87°53'06" West a distance of 957.53 feet to the SE corner of the lands described in the deed recorded April 8, 1981, as instrument No. 157781, records of Custer County, Idaho, thence the following courses and distances:



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858
Phone: (208) 736-3033 • Fax: (208) 736-3037 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

July 12, 2017

ATTN PAUL NELSON
WELLS FARGO BANK NA
877 W MAIN ST BUSINESS BANKING 3RD FLOOR
BOISE ID 83702

Re: Notice of Security Interest in a Water Right for Water Right 72-6C, 72-14, 72-32L, 72-32N, 72-189A, 72-2149B, 72-2149G, 72-4163, 72-7077, 72-10246A, 72-10263, 72-10267, 72-10268, 72-10271, 72-10311, 72-10312, 72-16633, 72-16635, 72-16637, 72-16639, 72-16735, 72-16742, 72-16892 & 72-16894 / Challis Creek Cattle Co LLC and/or Stephen and Lyndella Bauchman

Dear Party Holding Security Interest:

The Department of Water Resources acknowledges receipt of the Notice of Security Interest in a Water Right you recently submitted on the above water rights. The Department has modified its records to reflect the security interest and has enclosed a computer-generated report for your records.

Please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owners of a water right to the Department. Notice of the change must be provided to the Department within 120 days of the change. Change reporting forms are available from any office of the Department or on the Department's website.

Please feel free to contact this office with any questions you may have.

Sincerely,

Trish Fawcett
Technical Records Specialist

Enclosures

Cc: Challis Creek Cattle Co LLC, Stephen and Lyndella Bauchman