

RECEIVED

MAY - 4 2006

DEPARTMENT OF WATER RESOURCES
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESRECEIVED
MAY 01 2006
DEPT. OF WATER RESOURCES
SOUTHERN REGION**Notice of Security Interest in a Water Right****And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right**

Please print or type. Attach pages with additional information. Instructions are on the back of this page.

Incomplete forms will be returned.

1. Water Right No(s): 43-2319, 43-7043, 43-7131, 43-7311, 43-10230, 43-2494, 43-7044B
43-7069, 43-11274, 43-10228, 43-10227, 43-429, 43-10229

Adjudication Claim No(s): _____

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

First Ag Investments, L.L.C.202 W. BroadwayEnid, OK 73701

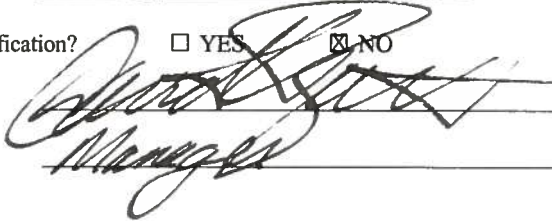
4. Name of Water Right Owner/Claimant(s)

Lynn Steadman and Susan Steadman

5. Expiration Date of Notification Period January 1, 2026

6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO

7. Signature(s) (and title if applicable)


Manager**For Office Use Only**

Received by <u>[Signature]</u>	Date <u>5/1/06</u>	Fee <u>25.00</u>
Receipted by <u>[Signature]</u>	Date <u>5/2/06</u>	Receipt No. <u>SO 28603</u>
Processed by _____	AJ Date _____	WR _____ Date _____

SUPPORT DATA**IN FILE #** 43-429

COPY

307636

MORTGAGE AND SECURITY AGREEMENT
(With Future Advance Clause)
This Mortgage is also intended to be a Fixture Filing

41544

Loan No. 2540151

1. **DATE.**

THIS MORTGAGE is made on this 29 day of March, 2006.

2. **PARTIES.**

The parties to this mortgage are: **Lynn Steadman and Susan Steadman, his wife**

hereafter called MORTGAGOR, whether one or more, and FIRST AG INVESTMENTS, LLC, an Oklahoma limited liability company, of 202 West Broadway, Enid, Oklahoma 73701, telephone (580) 234-5144, hereafter called the MORTGAGEE.

3. **PROPERTY MORTGAGED.**

MORTGAGOR, in consideration of money loaned, as described in this instrument, by the MORTGAGEE, does by this instrument mortgage to the MORTGAGEE all of the following real estate situated in the County of CASSIA and State of IDAHO described as follows:

SEE ATTACHMENT TO MORTGAGE AND SECURITY AGREEMENT FOR LEGAL DESCRIPTION

Containing 558.15 acres, more or less.

Subject to existing easements, rights of way, and mineral interests or mineral leases owned by third parties under valid reservations or conveyances now of record, but including the following property, whether or not owned by MORTGAGOR on the date of this mortgage or acquired by MORTGAGOR after the date of this mortgage, or whether now or hereafter located on or appurtenant to the real estate described above:

All improvements of any kind and character; all equipment and fixtures; all easements, rights of way and remainder or reversionary rights; all privileges, hereditaments and appurtenances; all water, irrigation and drainage rights, all ditches, conduits and rights of way therefore; all grazing rights and privileges; and all abstracts or other evidence of title; all irrigation equipment, now owned and used, in whole or in part, to irrigate the mortgaged property, together with all similar goods and fixtures which may be acquired at any time, and all additions, replacements, substitutions and accessions;

all of which shall be considered a part of the property securing the repayment of the loan described in this instrument.

4. **AMOUNT AND TERMS.**

The MORTGAGOR has made a promissory note payable to the order of MORTGAGEE. The promissory note is dated March 29, 2006. The mortgage secures to the MORTGAGEE the payment of \$ 613,000.00 of the original principal sum and is payable with interest as shown in the promissory note and if not sooner paid, shall be due and payable in full on January 1, 2026 subject to extensions thereof. The promissory note states the interest rate on the principal sum, and may also provide for future changes in the interest rate. The principal sum consists of the original principal sum and substitutions and renewals thereof, and may consist of additional principal advances not to exceed \$ 613,000.00, as evidenced by the MORTGAGOR'S notes and bearing interest as provided in said notes. The mortgage secures the repayment of the principal sum with interest, and any additional indebtedness arising under the terms and conditions of this mortgage.

Revised 2/2005

307636
CASSIA COUNTY, IDAHO
LARRY A. MICKELSEN
RECORDER
FEE \$700 DEPUTY 46
2006 MAR 31 AM 11:02
RECORDED AT THE REQUEST OF
LAND TITLE & ESCROW

5. PROMISES BY MORTGAGOR.

MORTGAGOR promises as follows:

A. **TITLE.** To be the owner of fee simple title to the real estate described above, and to be the owner of unconditional title to all other property which secures repayment of this mortgage; to have a good right to mortgage said property; that all property is free and clear of all liens and encumbrances; and to guarantee and defend title to all property which is the subject of this mortgage against the lawful claims or demands of all persons not parties to this agreement, except: (attach schedule, if applicable).

B. **USE OF LOAN PROCEEDS.** To use the proceeds from the loan secured by this mortgage solely for the purposes stated by MORTGAGOR in MORTGAGOR'S loan application.

C. **PAYMENT.** To pay when due all payments as set out in the note secured by this mortgage.

D. **TAXES AND ASSESSMENTS.** To pay when due all taxes, assessments, and water and public charges of any nature lawfully levied or assessed against the property mortgaged by this instrument, and also to pay all lawful claims, liens, judgments or encumbrances which may be or become prior to this mortgage.

E. **INSURANCE AND ITS PROCEEDS.** To insure the buildings and improvements now on, or which may be placed on, the real estate described above, and to keep such buildings and improvements insured against such hazards and in such amounts as the MORTGAGEE may require. The policy of insurance shall contain a loss-payable clause in favor of the MORTGAGEE, as its interest may appear. If there is a loss, and if the payments on the note secured by this mortgage are current and if there is no violation of the terms of this mortgage by MORTGAGOR, any sums received by the MORTGAGEE for loss under the policy may be used to pay for reconstruction of the destroyed buildings or improvements; if not so applied, or if there is a violation of the terms of this mortgage by MORTGAGOR, then, at the MORTGAGEE'S option, any sums received by the MORTGAGEE may be applied in payment of matured debt or as extra payments on unmatured debt in the manner provided for in the promissory note secured by this mortgage.

F. **COMPLIANCE WITH LAWS; REPAIR, WASTE, REMOVAL.** To comply with all laws, ordinances, regulations, covenants, conditions and restrictions which affect the security; to keep the security in good condition and repair at all times; not to commit or permit waste of, or nuisance on, the security, nor to permit unreasonable depreciation of the physical condition or value of the security through erosion, insufficient water supply, inadequate or improper drainage or irrigation, or any other cause; or, unless written consent of the MORTGAGEE is first obtained, not to cut or remove, or permit the cutting or removal of, growing timber, except for domestic purposes; nor to remove or permit removal of any improvements, except for appropriate replacement.

G. **REIMBURSEMENT OF COSTS AND EXPENSES TO MORTGAGEE.** To promptly reimburse the MORTGAGEE for all costs and expenses which the MORTGAGEE may incur in any suit to foreclose this mortgage, or in any suit or other proceeding in which the MORTGAGEE may be obliged to defend or protect its lien under bankruptcy laws or other laws, or any of the other rights it may have under this mortgage, including all abstract fees, all court costs, a reasonable attorney's fee where allowed by law, and all other expenses. Any expenses so incurred by the MORTGAGEE shall be secured by this mortgage, may be included in any decree of foreclosure, and may be added as advances to the loan balance when paid, as provided in the section labeled "ADVANCES" below.

H. **LIFE AND/OR DISABILITY INSURANCE; APPLICATION OF PROCEEDS.** To obtain and maintain life and/or disability insurance in such amount as the MORTGAGEE may require in its loan commitment or in any later loan servicing agreement between MORTGAGOR and MORTGAGEE. The insurance policy will provide that all insurance proceeds are to be fully payable to the MORTGAGEE. All such proceeds shall be applied, first, to the payment of any matured indebtedness due the MORTGAGEE, and, secondly, toward payment of the unmatured principal amount due the MORTGAGEE. Any insurance proceeds remaining after full satisfaction of the MORTGAGEE'S debt shall be forwarded to such person as MORTGAGOR may have designated in the insurance policy, or, if a person is not designated, to MORTGAGOR or to MORTGAGOR'S successors in interest, and the MORTGAGEE shall be held harmless in, and incur no liability for so doing.

6. ENVIRONMENTAL REPRESENTATIONS, WARRANTIES, COVENANTS, AND INDEMNITIES

With respect to the property, Mortgagor has complied, is in compliance, and will at all times comply in all respects with all applicable laws (whether statutory, common law or otherwise), rules, regulations, orders, permits, licenses, ordinances, judgments, or decrees of all governmental authorities (whether federal, state, local or otherwise), including, without limitation, all laws regarding public health or welfare, environmental protection, water and air pollution, composition of product, underground storage tanks, toxic substances, hazardous wastes, hazardous substances, hazardous materials, waste or used oil, asbestos, occupational health and safety, nuisances, trespass, and negligence.

A. **RIGHT OF INSPECTION.** The Mortgagor hereby grants, and will cause any tenants to grant, to Mortgagee, its agents, attorneys, employees, consultants, contractors, successors and assigns, an irrevocable license and authorization, upon reasonable notice, to enter upon and inspect the property and facilities thereon, and perform such tests, including without limitation, subsurface testing, soils and groundwater testing, and other tests which may physically invade the Property thereon, as the Mortgagee, in its sole discretion, determines is necessary to protect its security interest, provided however, that under no circumstances shall the Mortgagee be obligated to perform such inspections or tests.

B. **INDEMNITY.** Mortgagor agrees to indemnify and hold Mortgagee, its members, directors, employees, agents, and its successors and assigns, harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, judgments, administrative orders, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorney's fees and expenses, including all attorneys fees and expenses incurred by Mortgagee in enforcing this indemnity), arising directly or indirectly, in whole or in part, out of any failure of Mortgagor to comply with the environmental representations, warranties and covenants contained herein.

C. **CONTINUATION OF REPRESENTATIONS, WARRANTIES, COVENANTS AND INDEMNITIES.** Mortgagor's representations, warranties, covenants and indemnities contained herein shall survive the occurrence of any event whatsoever, including without limitation, the satisfaction

of the promissory note secured hereby, the reconveyance or foreclosure of this mortgage, the acceptance by Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the property.

7. ASSIGNMENT OF MINERAL INCOME AND DAMAGES.

To provide for payment of the debt secured by this mortgage, MORTGAGOR hereby assigns to the MORTGAGEE all sums of money which are now due or hereafter may become due to MORTGAGOR for claims, injury or damage to the security from any cause, and also all sums which are now due or hereafter may become due to MORTGAGOR as rents, royalties, bonuses or delay rentals under any oil, gas or other mineral lease now existing, or hereafter entered into by MORTGAGOR on the real estate described above. This mortgage is an immediately effective present transfer of any such sums but if any payor requires further action to assign payment of these sums to the MORTGAGEE, MORTGAGOR agrees to execute and deliver to the MORTGAGEE any further instruments which the MORTGAGEE may require. At the MORTGAGEE'S option, sums paid to it by virtue of this assignment may be released by the MORTGAGEE to MORTGAGOR, and release of any such sums shall not prevent the MORTGAGEE from receiving payment of any other sums under this assignment. If not released by the MORTGAGEE to MORTGAGOR, such sums may be applied to pay any matured debt owing to the MORTGAGEE, or, if no matured debt exists, such sums may be applied as advance payment of principal, according to the provisions of the promissory note described above. Release of this mortgage of record shall automatically terminate the MORTGAGEE'S right to receive any further sums under this assignment.

8. WATER RIGHTS.

A. The MORTGAGOR shall abide by all the statutes, rules, and regulations of any and all state and local authorities having jurisdiction over the use and distribution of water or water resources, and further covenants and agrees not to transfer, sell or assign or relinquish the water rights now held or hereafter acquired covering the above described property without the written consent of the MORTGAGEE.

B. To perform all terms and conditions of each water or other contract which is associated with, or constitutes a part of, the collateral for this loan and to promptly pay all sums due or to become due under each contract so that no delinquency or default will occur under such contract(s); to perform all acts necessary to perfect and maintain any water permit, certificate, license or other water interest, however designated, described in or used in conjunction with the collateral for this loan; any failure of Mortgagors to perform any such obligation shall constitute an event of default.

C. If any of the collateral for this loan is within an irrigation block and/or subject to water service contract(s) governed by the provisions of "federal reclamation law", and the regulations issued thereunder, Mortgagors shall comply with the terms and provisions of such laws, regulations, and contracts. Mortgagors, in the event Mortgagors become subject to the excess land limitation, appoint Mortgagee, its successors and assigns, as Mortgagors' attorney-in-fact, during the term of this mortgage, to select and designate the portion of the collateral to be subject to a recordable contract. If Mortgagors fail to comply with the terms of federal reclamation law, regulations or contracts, or if the delivery of water for the irrigation of any of the collateral is discontinued in whole or in part, Mortgagors shall be in default under this Mortgage. In the event the Bureau of Reclamation determines that continued drainage maintenance on the collateral is not longer feasible, and Mortgagors purchase other lands offered as a preference purchase right (as an adjustment for wetlands), Mortgagors shall execute a supplemental mortgage on such lands in favor of the Mortgagee, and failure to execute such mortgage on demand shall constitute an event of default.

9. ADVANCES.

In the event MORTGAGOR does not pay when due any costs incurred for abstracting, appraising, surveys, title curative work and recording fees which are to be paid by MORTGAGOR as provided for in the application or commitment for this loan, or in the event MORTGAGOR does not pay when due any taxes, or lawful liens, judgments, assessments or other charges which MORTGAGOR promises by the terms of this mortgage to pay, or in the event MORTGAGOR does not maintain insurance as provided for in this mortgage, the MORTGAGEE may make such payments or provide such insurance, and each payment which the MORTGAGEE makes on any of these items shall become a part of the debt secured by this mortgage and be added onto MORTGAGOR'S loan; however, any sum so paid by the MORTGAGEE shall immediately be payable by MORTGAGOR and shall bear interest from the date the MORTGAGEE advances such sums until the date MORTGAGOR pays them, as provided for in the promissory note described above. The MORTGAGEE shall be the sole judge of the legality, necessity or propriety of making any such payment of providing any such insurance, and shall be held harmless in, and incur no liability for so doing. In addition to reimbursement of such advances as herein provided, if MORTGAGEE advances or pays out insurance premiums pursuant hereto, MORTGAGOR shall be obligated to pay an additional sum of \$250.00 for each such insurance contract or binder obtained, or tax payment, to be added to principal and bear interest at the default rate until paid.

10. SECURITY AGREEMENT.

In the absence of a separate security agreement entered into by MORTGAGOR and MORTGAGEE, this mortgage shall constitute and shall be a security agreement pursuant to the Uniform Commercial Code with respect to any goods, fixtures, equipment, appliances or articles of personal property specified above or described in a separate schedule attached hereto (hereinafter collectively referred to in this paragraph as "personal property") which are a part of the Property and which, under applicable law, are or may be subject to a security interest pursuant to the Uniform Commercial Code, and MORTGAGOR hereby grants MORTGAGEE a security interest in said personal property. MORTGAGOR authorizes MORTGAGEE to file Uniform Commercial Code financing statements covering said personal property in such a form as MORTGAGEE may require to perfect its security interest therein. Upon MORTGAGOR'S breach of any covenant or agreement contained in this mortgage, including but not limited to MORTGAGOR'S covenants to pay when due all sums secured by the mortgage. MORTGAGEE shall have all the remedies of a secured party under the Uniform Commercial Code and, at MORTGAGEE'S option, may also invoke the remedies provided in this mortgage with respect to the personal property secured hereby.

11. BREACH OF PROMISES IN THIS AGREEMENT; ACCELERATION OF DEBT.

In the event MORTGAGOR does not comply with any of the promises contained in this mortgage, or does not do any of the acts which MORTGAGOR agrees to do under the terms of this mortgage, or in the event MORTGAGOR makes an assignment for the benefit of his creditors, or if a petition for or appointment of a receiver or trustee to take charge of the MORTGAGOR'S property occurs, or if any proceedings are commenced which might result in loss or reduction of the uses and enjoyment of the security for this loan, or if at any time the MORTGAGEE shall deem itself insecure, then the MORTGAGEE may declare a default and the debt secured by this mortgage shall immediately become fully due and payable and bear interest as provided for in the promissory note described above and this mortgage shall become immediately subject to foreclosure. The MORTGAGEE may, however, at its sole option and without notice, waive such acceleration, but no waiver shall prevent the MORTGAGEE from later accelerating the debt

based on such breach or a later breach of the promises contained in this mortgage.

12. **CHANGE OF OWNERSHIP.**

In the event of a change of ownership of the property securing this loan, the MORTGAGEE may declare a default and the debt secured by this mortgage shall become immediately due and payable and bear interest as provided for in the promissory note described above and this mortgage shall become immediately subject to foreclosure unless the MORTGAGEE has given its written consent before such change, or unless the change was the direct result of the death of MORTGAGOR. "Change of Ownership" means a voluntary or involuntary transfer of title to the security, or any part of it or interest in it, and includes any change in the entity structure, control, operation or ownership.

13. **RIGHT TO ENTER UNOCCUPIED PREMISES IN TIME OF EMERGENCY AND MAKE REPAIRS; ADVANCES FOR REPAIR.**

If this mortgage is subject to foreclosure, and if the property mortgaged herein reasonably appears unoccupied to the MORTGAGEE, and if the MORTGAGEE determines that an emergency exists, the MORTGAGEE may go on the property for the sole purpose of repairing, preserving or protecting its security without becoming a mortgagee-in-possession. Any advances made for these purposes shall become a part of the debt secured by this mortgage, and shall become immediately due and payable in the same way as other advances are dealt with, above. The MORTGAGEE shall be held harmless in, and incur no liability for doing the things provided for in this paragraph, and shall be the sole judge of the necessity or propriety of so doing.

14. **CONDEMNATION OR CONVEYANCE IN LIEU OF CONDEMNATION.**

The proceeds of any award, compensation or claim for damages, direct or consequential, in connection with any condemnation or other taking of the property mortgaged herein, or any part of it, or for a conveyance in lieu of condemnation, are hereby assigned and shall be paid to the MORTGAGEE. Any money so received may, at the option of the MORTGAGEE, be applied, in part or in total, on the debt secured by this mortgage, whether due or not, and any money not so applied will be returned to MORTGAGOR.

15. **FORECLOSURE: ENTITLEMENT TO ABSTRACTS, RECEIVERSHIP, RENTS AND PROFITS.**

In the event this mortgage is foreclosed, the MORTGAGEE shall be entitled to all abstracts and other evidences of title, to have a receiver appointed by the Court to take possession of the security to collect rents and profits, and all amounts so collected shall be applied, under the direction of the Court, to the expenses of the receivership, and to payment of any judgment rendered or any amount secured by this mortgage.

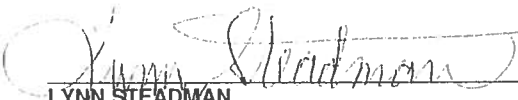
16. **MORTGAGEE'S RIGHTS IN LOAN SERVICING.**

The MORTGAGEE shall have the right, at any time and without notice, to release all or any part of the security, to grant extensions, deferrals, renewals or reamortizations of all or any part of the debt secured by this mortgage, and to release from personal liability any party now or hereafter personally liable for repayment of the debt secured by this mortgage, all without affecting the provisions or priority of this mortgage or the security which remains or the personal liability of any party not specifically released from personal liability .

17. **WAIVER OF ELECTION, STAY, AND HOMESTEAD, OF REDEMPTION RIGHTS WHERE ALLOWED BY LAW, AND OF THE BENEFIT OF ALL APPRAISEMENT LAWS.**

MORTGAGOR, by signing this mortgage, waives notice of election to declare the debt due, and also waives the benefit of all stay, and homestead laws. Where permitted by law, MORTGAGOR also waives all rights of redemption as to any corporation or partnership which may succeed to MORTGAGOR'S interest in the security, and, if MORTGAGOR is a corporation or partnership, waives its own rights of redemption. MORTGAGOR also waives, where permitted by law, the benefit of all appraisement laws at the option of the MORTGAGEE, which option is to be exercised no later than at the time of judgment in foreclosure.

18. **THE PROMISES AND AGREEMENTS CONTAINED IN THIS MORTGAGE SHALL BE BINDING ON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS AND ASSIGNS OF ALL PARTIES TO THIS MORTGAGE.**



LYNN STEADMAN

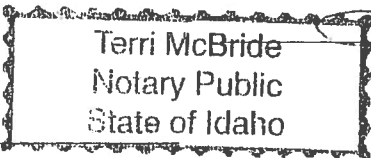

SUSAN STEADMAN

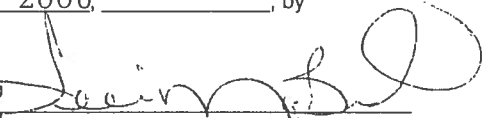
ACKNOWLEDGMENT

STATE OF Idaho)
COUNTY OF Cassia) ss

This instrument was acknowledged before me this 30th day of March, 2006, by
Lynn Steadman and Susan Steadman, ~~his~~ his wife.

My Commission Number: 2/5/08
(seal)
My commission (appointment) expires: _____





Notary Public

ATTACHMENT TO MORTGAGE FROM LYNN STEADMAN AND SUSAN STEADMAN, HUSBAND AND WIFE, TO
FIRST AG INVESTMENTS, LLC, DATED MARCH 29, 2006

PARCEL NO. 1:

TOWNSHIP 10 SOUTH, RANGE 28 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: All that part of the E½ of said Section, lying West of Yale Road, AND Lots 3, 4 and the SE¼NW¼ and E½SW¼, and a part of Lot 5 described as follows:

Beginning at a point 20 rods East of the Southwest corner of said Lot 5;
Thence North 80 rods;
Thence East 60 rods, more or less, to the Northeast corner of said Lot 5;
Thence South 80 rods;
Thence West 60 rods, more or less, to the Point of Beginning.

EXCEPTING THEREFROM the following described tracts:

Tract No. 1:

Beginning at a point on the East line of said Section 6, 1070.71 feet North 0°17' East from the Southeast corner of Section 6 to a point; Thence South 73°52'47" West for 1241.57 feet to a point on centerline of Yale Road; Thence North 20°53'13" West for 608.42 feet along centerline of Yale Road to a point; Thence South 67°58'47" West for 117.20 feet to a point, said point being the True Point of Beginning.
Thence South 09°22'13" East for 84.25 feet;
Thence South 70°55'32" West for 119.95 feet;
Thence North 03°44'28" West for 213.95 feet;
Thence North 05°24'12" East for 334.75 feet;
Thence South 89°16'03" East for 61.6 feet;
Thence South 05°24'12" West for 212.15 feet;
Thence South 10°47'05" East for 216.27 feet to the True Point of Beginning.

TOGETHER WITH an easement for access road more particularly described as follows:

Beginning at a point on the East line of Section 6, 1070.71 feet North 0°17' East from the Southeast corner of Section 6; Thence South 73°52'47" West for 1241.57 feet to a point on centerline of Yale Road; Thence North 20°53'13" West for 789.77 feet along centerline of Yale Road to a point; Thence Westerly for plus or minus 29 feet to the West right-of-way of Yale Road. Said point will be the True Point of Beginning.
Thence Westerly for 55.6 feet to a point;
Thence North 05°24'12" East for 30 feet to a point;
Thence Easterly for plus or minus 25 feet to a point on the Westerly right-of-way of Yale Road;
Thence Southerly along the Westerly right-of-way of Yale Road to the True Point of Beginning.

Tract No. 2:

Beginning at the Southeast corner of said Section 6, said corner marked by a U. S. General Land Office iron pipe with brass cap; Thence North 89°43'30" West along the South line of Section 6 for a distance of 388.24 feet (388.29 feet rec.) to a P.K. nail on the centerline of the Yale Road which shall be the Point of Beginning;
Thence North 89°43'30" West along the South line of Section 6 for a distance of 534.39 feet to a ½ inch rebar;
Thence North 21°13'00" West for a distance of 537.08 feet to a ½ inch rebar;
Thence South 67°01'29" East for a distance of 94.69 feet to a ½ inch rebar on the centerline of Yale Road;
Thence South 53°59'28" East along said centerline for a distance of 793.11 feet to the Point of Beginning.

Tract No. 3:

Beginning at the Southeast corner of said Section 6, said corner marked by a U. S. GLO iron pipe with brass cap on top; Thence North 89°43'30" West along the South line of the SE¼ for a distance of 922.63 feet to a ½ inch rebar which shall be the Point of Beginning;
Thence North 89°43'30" West continuing along said line for a distance of 334.75 feet to a ½ inch rebar;
Thence North 29°52'27" East for a distance of 400.28 feet to a ½ inch rebar;
Thence South 21°13'00" East for a distance of 374.05 feet to the Point of Beginning.

ALSO EXCEPTING THEREFROM the existing right-of-way for Yale Road along the Northeasterly boundary.

PARCEL NO. 2:

TOWNSHIP 10 SOUTH, RANGE 28 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: All that part of the E½ of said Section lying East of the Yale Road, EXCEPTING THEREFROM the following described tracts:

Tract No. 1:

Beginning at the Southeast corner of said Section 6, which shall be the True Point of Beginning;
Thence North 89°59'12" West along section line for 388.29 feet to a point on the centerline of Yale Road;
Thence North 54°15'31" West along said centerline for 792.78 feet to a point;
Thence North 41°17'30" West along said centerline for 117.03 feet to a point;
Thence North 24°10'00" West along said centerline for 191.66 feet to a point;
Thence North 72°53'47" East for 1241.57 feet to a point on section line;
Thence South 0°17' West along said section line for 1070.71 feet to the True Point of Beginning.

Tract No. 2:

Beginning at the Southeast corner of said Section 6, said point marked by a Government Brass Cap; thence North 89°59'12" West (Basis of Bearing) along section line for 388.29 feet to a P.K. nail on the centerline of Yale Road; thence North 54°15'31" West along said centerline for 793.22 feet (792.78 feet rec.) to a P.K. nail; thence North 41°17'30" West along said centerline for 117.03 feet to a P.K. nail; thence North 24°10'00" West along said centerline for 191.66 feet to a P.K. nail; thence North 20°53'13" West along said centerline for 583.26 feet to a ½ inch rebar which shall be the Point of Beginning;
Thence North 20°53'13" West along said centerline for 176.37 feet to a ½ inch rebar;
Thence North 8°21'43" West along said centerline for 186.09 feet to a ½ inch rebar;
Thence South 72°55'43" East for 240.72 feet to a ½ inch rebar;
Thence South 0°40'53" East for 173.44 feet to a ½ inch rebar;
Thence South 53°36'59" West for 176.67 feet to the Point of Beginning.

Tract No. 3:

Beginning at the Southeast corner of said Section 6, said corner marked by a U.S. General Land Office iron pipe with brass cap; thence North 27°57'58" West for a distance of 3398.00 feet to a ½ inch rebar on the East right of way of Yale Road which shall be the Point of Beginning;
Thence North 06°07'54" West along the East right of way of Yale Road for a distance of 219.12 feet to a ½ inch rebar;
Thence North 79°56'39" East for a distance of 565.78 feet to a ½ inch rebar;
Thence South 05°54'15" East for a distance of 311.54 feet to a ½ inch rebar;
Thence South 78°51'10" West for a distance of 207.47 feet to a ½ inch rebar;
Thence South 09°55'37" West for a distance of 217.40 feet to a ½ inch rebar;
Thence South 85°49'46" West for a distance of 24.43 feet to a ½ inch rebar;
Thence North 08°37'34" West for a distance of 264.63 feet to a ½ inch rebar;
Thence South 87°16'55" West for a distance of 260.93 feet to the Point of Beginning.

Tract No. 4:

Beginning at the Southeast corner of Section 6, said corner marked by a U.S. General Land Office iron pipe with brass cap; Thence North 58°17'32" West for a distance of 1391.92 feet to a P.K. nail on a bridge deck on the centerline of Yale Road; Thence North 20°36'58" West along the centerline of Yale Road for a distance of 583.19 feet to a ½ inch rebar at the SW corner of the Farnsworth property; Thence North 53°54'49" East (North 53°36'59" East, rec.) along the Southeasterly line of the Farnsworth property for a distance of 176.67 feet to a ½ inch rebar which shall be the Point of Beginning;
Thence North 00°24'50" West (North 00°40'53" West, rec.) along the East line of the Farnsworth property for a distance of 173.44 feet to a ½ inch rebar;
Thence South 72°39'40" East for a distance of 124.32 feet to a ½ inch rebar;
Thence South 37°56'51" West for a distance of 169.45 feet to a ½ inch rebar;
Thence South 78°11'59" West for a distance of 13.50 feet to the Point of Beginning.

ALSO EXCEPTING all right-of-ways for public roads.

PARCEL NO. 3:

TOWNSHIP 10 SOUTH, RANGE 28 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 7: Part of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ & NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, more particularly described as follows:
Beginning at the North quarter section corner of said Section 7 said corner marked by a U.S. General Land Office Pipe with brass cap which shall be THE POINT OF BEGINNING;
Thence South 89°48'17" East along section line for 925.09 feet to a ½" rebar;
Thence South 47°21'54" West for 391.13 feet to a ½" rebar;
Thence South 65°36'04" West for 402.38 feet to a ½" rebar;
Thence on a non-tangent curve to the right for 1670.10 feet to a ½" rebar on the West line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$, said curve having a radius of 1578.38 feet with a central angle of 60°37'31" with a long chord bearing of North 86°56'55" West for 1593.27 feet;
Thence North 0°03'11" East along the West line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ for 354.42 feet to a point at the Northwest corner of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7;
Thence South 89°47'09" East along section line for 1319.81 feet to THE POINT OF BEGINNING.

PARCEL NO. 4:

TOWNSHIP 10 SOUTH, RANGE 28 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: Part of the SE $\frac{1}{4}$ of Section 6, more particularly described as follows:

Beginning at the Southeast corner of Section 6, said corner marked by a U.S. General Land Office iron pipe with brass cap; Thence North 58°17'32" West for a distance of 1391.92 feet to a P.K. nail on a bridge deck on the centerline of Yale Road; Thence North 20°36'58" West along the centerline of Yale Road for a distance of 583.19 feet to a ½ inch rebar at the SW corner of the Farnsworth property which shall be the Point of Beginning;
Thence North 20°36'58" West (North 20°53'13" West, rec.) along the centerline of the Yale Road for a distance of 176.27 feet (176.37 feet, rec.) to a ½ inch rebar;
Thence South 43°43'35" East for a distance of 54.12 feet to a ½ inch rebar;
Thence South 72°25'36" East for a distance of 61.09 feet to a ½ inch rebar;
Thence South 85°16'16" East for a distance of 63.20 feet to a ½ inch rebar;
Thence North 87°43'42" East for a distance of 46.24 feet to a ½ inch rebar;
Thence South 53°54'49" West (South 53°36'59" West, rec.) for a distance of 176.67 feet to the Point of Beginning.

The following rights and interests of the Mortgagor in the real estate described in the Mortgage and Security Agreement are a part of the collateral securing repayment of the loan:

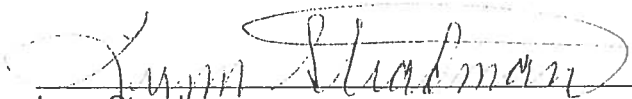
All leases, permits, licenses, or privileges, written or otherwise, appurtenant or nonappurtenant, to said mortgaged premises, now held by mortgagors or hereafter issued, extended or renewed to them by the United States or the State or any department, bureau of agency thereof, which are hereby mortgaged to mortgagee.

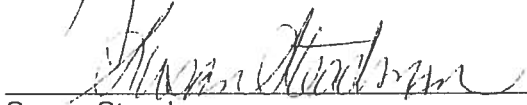
TOGETHER WITH all water and water rights, whether riparian, appropriative or otherwise and whether or not appurtenant to or used in connection with the above described real property, ditch and ditch rights, and any shares of stock, licenses or permits evidencing such water and ditch rights, and all wells, reservoirs, dams, embankments and fixtures, including, but not limited to, State of Idaho,

Water Well Right No.	Priority Date
43-2319	9-3-1948
43-7043	9-17-1973
43-7131	10-23-1978
43-7311	2-20-1991
43-10230	6-15-1977
43-2494	4-26-1960
43-7044B	9-17-1973
43-7069	12-26-1976
43-11274	3-15-1978
43-10228	9-11-1883
43-10227	4-30-1883
43-429	4-01-1896
43-10229	5-26-1909

covering 558.15 acres.

TOGETHER WITH a security interest in and to all sprinklers, sprinkler heads and risers, wind machines, sprinkler systems, delivery systems, pumps, motors, mainlines, laterals, center pivots, wheel lines, hand lines, and all other irrigation and water transmission equipment of every kind and description, now or hereafter located on or used in connection with the above described real property described herein, including, but not limited to, those items more particularly described in a separate Security Agreement of even date herewith, together with all additions, accessions, replacements and substitutions thereto, and any and all allied equipment including by way of example, but not by way of limitation, electrical panels, control boxes, wiring, pipes, valves, elbows, couplers, flanges, reducers, plugs, risers and sprinklers. Mortgagor does hereby (a) warrant that said equipment shall be used only on the above described real property; (b) covenant that no other security interests in said equipment have been given; (c) agree not to sell, lease, encumber, or otherwise dispose of said equipment or remove the same from the county in which the same is now situated without the Mortgagee's prior written consent, provided, however, that Mortgagee's consent shall not be required in the event Mortgagor desires to replace any item of said irrigation equipment with equipment of comparable type and value in the ordinary course of Mortgagor's business; and (d) agree to defend against all adverse claims and demands which may be made against said equipment.


Lynn Steadman


Susan Steadman