

RECEIVED

AUG 27 2010

WATER RESOURCES
WESTERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**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).: 57-1010

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

American AgCredit, FLCA, successor by merger to Farm Credit
Services of Central Kansas, FLCA
PO Box 12800Wichita, KS 67277

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

J and M Cattle, Inc5. Expiration Date of Notification Period 06/30/20176. Is this a Renewal of Request for Notification? ☐ YES ☒ NO7. Signature(s) of Security Interest holder(s) American AgCredit, FLCA, successor by merger to Farm Credit
(and title if applicable) Services of Central Kansas, FLCABy: Tobias Carson, Sr. Credit Analyst**For Office Use Only**Received by SBDate 8-27-10Fee 25Received by gmkDate 8-27-10Receipt No. 2038688Processed by AJ

Date _____

WR gmkDate 9-8-10

SUPPORT DATA

IN FILE # 57-1010

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Incomplete forms will be returned.

1. Water Right No(s): 57-7245
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
American AgCredit, FLCA, successor by merger to Farm Credit
Services of Central Kansas, FLCA
PO Box 12800
Wichita, KS 67277
4. Name of Water Right Owner/Claimant(s)
J and M Cattle, Inc.
5. Expiration Date of Notification Period 06/30/2017
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) (and title if applicable)
American AgCredit, FLCA, successor by merger to Farm Credit
Services of Central Kansas, FLCA
 By: Tobias Carson
Tobias Carson, Sr. Credit Analyst

For Office Use Only

Received by <u>SB</u>	Date <u>8-27-10</u>	Fee <u>25.</u>
Received by <u>gmk</u>	Date <u>8-27-10</u>	Receipt No. <u>W038688</u>
Processed by <u>AJ</u>	Date _____	WR _____ Date _____

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Incomplete forms will be returned.1. Water Right No(s): 57-7392

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

American AgCredit, FLCA, successor by merger to Farm Credit
Services of Central Kansas, FLCA
PO Box 12800Wichita, KS 67277

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

Fullmer & Mortensen Cattle Co, LLC5. Expiration Date of Notification Period 06/30/20176. Is this a Renewal of Request for Notification? ☐ YES ☒ NO7. Signature(s) of Security Interest holder(s) American AgCredit, FLCA, successor by merger to Farm Credit
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Tobias Carson, Sr. Credit Analyst**For Office Use Only**Received by SBDate 8-27-10Fee 25Receipted by gmcDate 8-27-10Receipt No. W038688Processed by AJ

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WR _____

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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).: 57-11630 permit
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
American AgCredit, FLCA, successor by merger to Farm Credit
Services of Central Kansas, FLCA
P.O. Box 12800
Wichita, KS 67277
4. Name of Water Right Owner/Claimant(s)
J and M Cattle, Inc.
5. Expiration Date of Notification Period 06/30/2017
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s) American AgCredit, FLCA, successor by merger to Farm Credit
 (and title if applicable) Services of Central Kansas, FLCA
 By: Tobias Carson
Tobias Carson, Sr. Credit Analyst

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Processed by <u>AJ</u>	Date _____	WR _____ Date _____

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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): 57-11663 perm. t
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
American AgCredit, FLCA, successor by merger to Farm Credit
Services of Central Kansas, FLCA
PO Box 12800
Wichita, KS 67277
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J and M Cattle, Inc.
5. Expiration Date of Notification Period 06/30/2017
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s)
 (and title if applicable) American AgCredit, FLCA, successor by merger to Farm Credit
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Receipted by <u>gmk</u>	Date <u>8-27-10</u>	Receipt No. <u>WD38688</u>
Processed by <u>AJ</u>	Date _____	WR _____ Date _____



Each of the undersigned (Borrower, "whether one or more") and Farm Credit Services of Central Kansas, FLCA ("Lender") enter into this Security Agreement, and agree as follows:

1. **CREATION OF SECURITY INTEREST.** Borrower grants to the Lender a present security interest in the property described in Section 2 to secure payment and performance of all obligations, indebtedness, and liabilities of any kind, whenever and however incurred, absolute or contingent, due or to become due, now existing or hereafter arising of the Borrower to the Lender, including the liabilities arising because of funds advanced at the option of the Lender.
- 1.1 **AUTHORIZATION TO FILE FINANCING STATEMENTS.** Borrower hereby irrevocably authorizes Lender at any time and from time to time to file any Uniform Commercial Code financing statements or amendments that Lender deems appropriate covering the collateral described in this security agreement and identifiable proceeds of the collateral.
2. **COLLATERAL.** The Borrower grants and assigns to the Lender a security interest in the following property together with all additions, accessions, replacements, substitutions, proceeds and products therefrom including natural increase of livestock and any and all property of similar type or kind now owned or hereafter acquired by the Borrower and used for either personal, family or household purposes; farming or ranching operations; or any other business in which the Borrower is or might be engaged.

(Note: When timber is taken as collateral, the real estate on which such is growing must be described.)

All fixtures now owned or hereafter acquired by the debtor, together with all additions, substitutions and replacements thereof. The record owner of the real estate is J and M Cattle, Inc.. Said fixtures include, but are not limited to: calf huts, pens, windbreaks, shades, fencing, storage and feeding equipment, milk processing and storage equipment. This financing statement is to be filed for record in the real estate records.

All equipment now owned or hereafter acquired by the debtor used in the debtor's calf raising and feeding operation.

10,000 shares of stock in J and M Cattle, Inc., Certificate No. Two, issued to Jon C. Mortensen
10,000 shares of stock in J and M Cattle, Inc., Certificate No. _____, issued to Que J. Fullmer

All water rights appurtenant to the property including:

Parcel I:

Water Right Number	Source	Priority	Quantity		Status	Use
			AFA	CFS		
57-11663	Groundwater	9/29/2004		0.66	Permit	Commercial
57-7245	Groundwater	6/27/1979	40.8	0.21	Decreed	Domestic, Stockwater
57-1010	Groundwater	2/15/1916	1.2	0.04	Decreed	Domestic

Parcel II and Parcel III:

Water Right Number	Source	Priority	Quantity		Status	Use
			AFA	CFS		
57-11630	Groundwater	7/15/2003		0.68	Permit	Commercial, Stockwater
57-7392	Groundwater	7/11/1983	25.0	0.2	Decreed	Domestic, Stockwater

The above collateral is also intended to secure all obligations, indebtedness, and liabilities of any kind arising out of or related to the Note and Loan Agreement executed by Jon Mortensen, President and Member of Fullmer & Mortensen Cattle Company, LLC dated June 12, 2007, and any extensions, renewals, or replacements thereof, as well as any and all additional indebtedness of said persons or entities to the Lender now existing or hereafter created, matured or unmatured, direct or contingent, and any renewals and extensions thereof or substitutions therefor.

3. ☐ **FEEDLOT LOAN.** If checked, this security agreement secures a loan to a feedlot.

STANDARD PROVISIONS

DEFAULT. Borrower is in default of this Agreement under the following circumstances: (1) failure to repay principal or interest as provided in the Note and Loan Agreement; (2) breach of any term, condition or representation in connection with any loan with Lender or in connection with any loan with any other lender; (3) if any of Borrower's representations to Lender in connection with any loan proves to be materially false; (4) if Lender determines, in its sole discretion, that Borrower is unable to repay the indebtedness or Lender otherwise deems itself insecure; (5) if Borrower uses disbursements for a purpose other than the stated purpose; (6) loss, theft, damage, destruction, unauthorized sale or encumbrance to or of any collateral or the making of any levy, seizure, attachment for or on any collateral; (7) if, solely in Lender's judgment, Borrower has experienced a material adverse change in financial condition; (8) death, dissolution, termination of existence, insolvency, business failure, petition for or appointment of a receiver, assignment for the benefit of creditors by, or commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower, or any guarantor, endorser or surety for Borrower.

BORROWER'S OBLIGATIONS AND AGREEMENTS.

- A. **Annual Financial Statements.** At Lender's request, Borrower agrees to provide verifiable financial statements at least annually at fiscal year end.
- B. **Leased Lands.** Borrower will pay, when due, all installments of rents due or to become due on leased land held by Borrower and used for pasture of any of the livestock or for any agricultural purpose and will renew all such leases and keep them in force during the existence of this Agreement. Borrower will pay all charges for permits, held by Borrower, for grazing any of the above described livestock in National Forests and Public Domains and keep such permits in force during the life of this Agreement.
- C. **Borrower's Address and Location of Collateral.** Borrower will immediately notify Lender, in writing, of any change in Borrower's address. Borrower shall, at all times, keep collateral at the designated location(s) unless advance notice is given to the secured Lender and the secured Lender consents, in writing, to removal to another location.
- D. **ADDITIONAL COLLATERAL, LENDER MAY REQUEST ADDITIONAL COLLATERAL FOR THIS LOAN FROM TIME TO TIME. BORROWER AGREES TO DELIVER ADDITIONAL COLLATERAL AS LENDER MAY, IN GOOD FAITH, REQUIRE.**
- E. **Livestock as Farm Products.** Borrower agrees that all livestock, either used in a farming or ranching operation or in any other business in which the Borrower is engaged, shall be classified as farm products for UCC purposes unless the FEEDLOT LOAN box is checked on the front of this security agreement.
- F. If the FEEDLOT box is checked on the front of this security agreement or the secured loan is an agribusiness loan: (1) Borrower warrants that each pledged receivable is a good and valid obligation representing an undisputed debt incurred by Borrower's account debtor for a fixed sum, as set forth by invoice, for goods delivered or services rendered; (2) Borrower warrants that no pledged receivable is subject to any defense, offset, or counterclaim and will be paid in full when due; (3) Borrower shall promptly notify Lender in writing of any claims or defenses raised by account debtors; (4) Borrower shall have the right, in the regular course of business, to purchase and sell all feed and supplies used in fattening, producing or maintaining livestock covered by the terms of this Security Agreement; (5) Borrower shall, at intervals and in form and manner established solely by Lender from time to time, submit to Lender a confirmatory assignment of accounts receivable and inventory listing collateral; (6) Lender shall have the right to notify Borrower's account debtors of the assignment of Borrower's receivables to Lender and require them to make payment directly to Lender; and, (7) Lender may enforce collection of, settle, compromise extend, or renew the indebtedness of Borrower's account debtors on Borrower's assignment of accounts to Lender.
- G. **Authority to Perform for Borrower.** If Borrower fails to act as required by this Agreement, Lender is authorized, in Borrower's name or otherwise, to take any such action including without limitation signing Borrower's name or paying any amount so required. Lender may, at its option, pay for taxes, water or ditch assessments, insurance premiums, satisfaction of mechanic or materialman's liens with respect to labor, materials or supplies furnished or delivered in connection with ownership, use or operation of collateral, feed liens and all other liens which are, or might be, prior to the lien of any security instruments given by Borrower to the secured Lender. The cost(s) shall be obligation(s) secured by this Agreement and shall be payable by Borrower on demand at the same rate of interest currently being charged Borrower on the obligations from the date of payment by Lender.
- H. **List of Buyers of Farm Products.** Borrower shall furnish to the secured Lender a list in writing of buyers, commission merchants and selling agents to or through whom Borrower may sell farm products and shall notify the secured Lender in writing of any previously unlisted buyer, commission merchant or selling agent at least 7 days prior to any sale of farm products to or through such previously unlisted persons. A sale of farm products to or through any person not listed with the secured lender may subject the borrower to a surcharge of \$5,000 or 15% of the value or benefit received from such sale in the event proceeds from sale are not forwarded to Lender within 10 days of sale.
- I. **Preservation of Collateral.** Borrower shall: (1) care for the collateral in accordance with good farming and/or husbandry practices and not permit its value to be impaired; (2) **KEEP COLLATERAL FREE FROM ALL LIENS, ENCUMBRANCES, AND SECURITY INTERESTS (OTHER THAN THOSE CREATED BY THIS AGREEMENT) UNLESS THE LENDER CONSENTS IN WRITING, IN ADVANCE;** (3) defend Collateral against all claims and legal proceedings by persons other than Lender; (4) initiate action reasonably deemed advisable by Lender to preserve collateral or to establish, determine priority of, perfect, continue perfected, terminate, and/or enforce Lender's interest in it or rights under this Agreement; (5) pay and discharge when due all taxes, license fees, levies, and other charges upon collateral; (6) unless authorized, not sell, store off farm, lease, or otherwise dispose of collateral; (7) not permit collateral to become a fixture or an accession to other goods except as Lender specifically authorizes, in writing; (8) not permit collateral to be used in violation of any applicable law, regulation, or policy of insurance. Loss of, or damage to, collateral shall not release Borrower from any of the obligations.
- J. **Insurance.** At Lender's request, Borrower shall keep all collateral, and Lender's interest in it, insured under policies naming Lender as loss payee with such provisions for such reasonable amounts and by such insurers as shall be satisfactory to Lender. Borrower shall furnish satisfactory evidence of such insurance to Lender. Borrower assigns to Lender the proceeds of all such insurance and any premium refund. Lender is authorized to apply such proceeds and refunds to any unpaid balance of the obligations secured by this Agreement whether or not due, and/or to restoration of the collateral.
- K. **Inspection of Collateral.** Lender is authorized to examine collateral, wherever located, at any reasonable time.

PRODUCTS, PROCEEDS AND AFTER ACQUIRED PROPERTY. Lender's security interest extends to all property of similar type or kind now owned or hereafter acquired by Borrower and used or bought for personal, family or household purposes, farming or ranching operations, or in any other business in which Borrower may be engaged, including, but not limited to all additions, accessions, replacements, substitutions, proceeds and products from livestock, harvested crops, feed, seed and ginned cotton; all replacements, additions and accessions to and spare and repair parts, special tools and equipment; all conceived but yet unborn offspring, all natural increases, additions to and replacements and substitutions of livestock and poultry, all trading cattle, commissioned cattle, whether branded or marked in one or more of the above brands or marks or branded or marked in a different brand or mark, or unbranded or unmarked; all wool growing or to be grown on sheep or mohair on goats, both before and after shearing; all milk produced by any cows and all milk assignments; all feed to be used in the feeding, maintaining or fattening of livestock; all capital retains; all warehouse receipts, documents, storage contracts (including but not limited to CCC contracts), deficiency payments, all governmental subsidies and/or incentives, all marketing rights and all other contract rights arising from sale or other disposition of collateral and all replacements of, proceeds of, and additions to other personal property above described.

FUTURE ADVANCES. Collateral under this Security Agreement secures future loans and advances given by Lender to Borrower and is security for the payment and performance of all such loans and advances as well as any other liability of Borrower to Lender.

SECURED LENDER'S RIGHTS AND REMEDIES. The secured Lender at its options, shall have all of the rights and remedies provided under the Uniform Commercial Code or other applicable law. **IT IS UNDERSTOOD THAT WITHOUT PRIOR NOTICE TO THE BORROWER OR AN OPPORTUNITY FOR HEARING, THE SECURED LENDER, IN ITS SOLE DETERMINATION THAT AN EVENT OF DEFAULT HAS OCCURRED, MAY EXERCISE RIGHTS AND REMEDIES PROVIDED FOR UNDER THE UNIFORM COMMERCIAL CODE WHICH INCLUDES TAKING POSSESSION OF COLLATERAL, WITH OR WITHOUT AID OF LEGAL PROCESS, AND SUBSEQUENTLY DISPOSING OF IT. BORROWER AGREES WITH THE**

EXERCISING OF THESE RIGHTS AND REMEDIES BY THE SECURED LENDER AND VOLUNTARILY AND FREELY WAIVES SUCH RIGHTS, AS HE MAY HAVE, OF A NOTICE OF HEARING PRIOR TO SECURED LENDER'S EXERCISING SUCH RIGHTS AND REMEDIES. In lieu of, addition to, conjunction with, or substitution for these rights and remedies the secured Lender may (a) enter upon Borrower's premises at any reasonable time to inspect Collateral and, in the event of Borrower's default, to take possession of or to complete the growing, grazing, fattening or other farming operations in connection with the collateral preparatory to its disposition, and for these purposes, the secured Lender may require Borrower to assemble the collateral and make it available to the secured Lender at a place reasonably convenient to both parties; and, (b) taking this Security Agreement shall not waive or impair any other security Lender may have or hereafter acquire for payment of the above indebtedness, nor shall taking any additional Collateral waive or impair this Security Agreement. The secured Lender may resort to any security it may have, in the order it may deem proper, and notwithstanding any collateral security, secured Lender shall retain its rights of setoff against Borrower; and, (c) notice mailed to Borrower at any address, as it appears with his signature above, ten (10) days before the date of public sale of collateral or the date after which private sale of collateral will take place shall, constitutes reasonable notice to Borrower. When collateral is livestock, it is agreed that a commercially reasonable means of disposing of the collateral shall include sale through a livestock market or through a licensed livestock sales company. The secured Lender may enter on Borrower's premises without being liable for damages and take possession of the collateral without judicial process and may use and occupy the premises and pasturage, feed pens, feed troughs and water privileges of Borrower for the purpose of feeding or caring for any livestock. It is agreed that crops shall be considered as perishable and may decline speedily in value. The secured Lender may protect, cultivate, care for, harvest or thresh or combine the crops at the Borrower's expense and may sell and dispose of the crops at private sale if the same are mature or are harvested at the best available price.

DEFICIENCY JUDGMENT. Lender will be entitled to a deficiency judgment if the proceeds of sale do not pay all of the secured obligations (except where prohibited by law).

ADMISSION, AGREEMENTS AND AFFIRMATIONS.

- (1) **Persons Bound.** Borrower and Lender as used in this Agreement includes the heirs, executors, administrators, successors, and assigns of these parties. If more than one borrower executes this agreement, their obligations shall be joint and several.
- (2) **Incorporation by Reference.** This Agreement includes all amendments and supplements to it, and also incorporates by reference the terms of all assignments, instruments, documents, other writings, or written agreements between Borrower and Lender.
- (3) **Waiver, Borrower.** All persons or entities who are or who may become liable on this debt expressly waive demand for payment, protest and notice of dishonor on nonpayment. Lender. No waiver of default by Lender shall operate as a waiver of any other default or of the same default on a future occasion.
- (4) **Expenses.** To the extent applicable law allows, Borrower is liable for payment of all expenses pertaining to retaking, holding, preparing for sale, and selling of collateral which would include, but not be limited to, all attorney's fees and legal expenses.

MERGER. This Agreement supersedes all prior oral negotiations, representations, and promises which are hereby merged into this writing. This agreement, and any amendments, renewals or extensions to it constitutes the entire agreement between the Borrower and Lender.

PARTIES BOUND. Each person signing this Agreement is a Borrower and the obligations and covenants of all borrowers under this agreement are joint and several unless otherwise noted. This agreement is binding on all parties and their respective heirs, personal representatives, successors and assigns.

LOCATION. The Borrower's residence is as stated below and the collateral in Section 2 will be kept at:

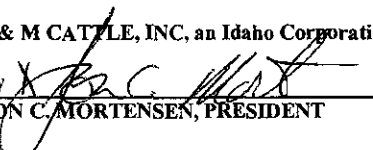
LOCATION OF COLLATERAL:

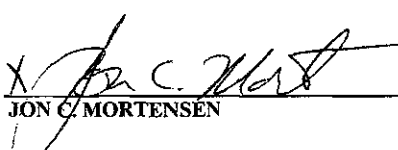
COUNTY: **Owyhee** STATE: **Idaho**

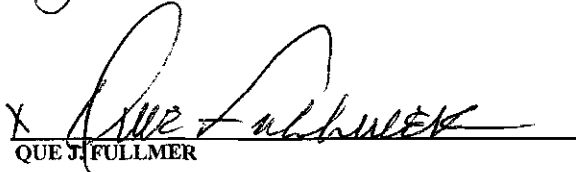
Primary Borrower Address: **12971 BAILEY RD, MELBA, ID 83641**

Date: **06/12/2007**

J & M CATTLE, INC, an Idaho Corporation

By 
JON C. MORTENSEN, PRESIDENT


JON C. MORTENSEN


QUE J. FULLMER

THE BORROWER, BY SIGNING THIS SECURITY AGREEMENT, ACKNOWLEDGES THAT HE OR SHE HAS READ ALL OF THE PROVISIONS OF SUCH AND HAS RECEIVED A COPY OF SUCH.

2



Farm Credit

200705473

MORTGAGE AND SECURITY AGREEMENT

(With Future Advance Clause)

FULLMER & MORTENSEN CATTLE COMPANY, LLC

Loan No. 2563839

Instrument # 261484

MURPHY, OWYHEE, IDAHO

2007-06-22 04:26:49 No. of Pages: 5

Recorded for : PIONEER TITLE CO

CHARLOTTE SHERBURN

Fee: 15.00

Ex-Officio Recorder Deputy *LM Peterson*

Index to: MORTGAGE

DATE.

THIS MORTGAGE is made on this 12th day of June, 2007.

PARTIES.

The parties to this mortgage are:

J and M Cattle, Inc., an Idaho Corporation

hereafter called MORTGAGOR, whether one or more, and Farm Credit Services of Central Kansas, FLCA, 7940 W. Kellogg Dr., PO Box 12800 Wichita, KS 67277-2800 (MORTGAGEE).

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 the following real estate situated in the County of Owyhee and State of Idaho described as follows:

Parcel I

A parcel of land being a portion of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter Section 13, Township 1 South, Range 3 West of the Boise Meridian, Owyhee County, Idaho, more particularly described as follows;

Commencing at the Southeast corner of the Southeast Quarter of said Section 13, said corner monumented with a 3-inch brass disk; thence

North 00° 30' 53" East, a distance of 1,317.66 feet along the Easterly boundary of the Southeast Quarter of the Southeast Quarter to the Southeast corner of the Northeast Quarter of the Southeast Quarter, monumented with a found railroad spike, said corner also being the POINT OF BEGINNING; thence

North 89° 37' 38" West, a distance of 1,346.90 feet along the Southerly boundary of the Northeast Quarter of the Southeast Quarter to the Southwest corner of the Northeast Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 89° 37' 27" West, a distance of 1,340.13 feet along the Southerly boundary of the Northwest Quarter of the Southeast Quarter to the Southwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 00° 43' 16" East, a distance of 1,327.25 feet along the Westerly boundary of the Northwest Quarter of the Southeast Quarter to the Northwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 00° 42' 56" East, a distance of 1,317.88 feet along the Westerly boundary of the Southwest Quarter of the Northeast Quarter to a point on the approximate centerline of an irrigation ditch; thence along said approximate centerline the following courses and distances;

South 58° 26' 37" East, a distance of 373.41 feet to the beginning of a tangent curve; thence 90.39 feet along a curve to the left, having a 140.00 foot radius, with a central angle of 36° 59' 34", and along chord of which bears South 76° 56' 24" East, a distance of 88.83 feet to a point; thence tangent to said curve

North 84° 33' 50" East, a distance of 124.93 feet to the beginning of a tangent curve; thence 125.75 feet along a curve to the right, having a 140.00 foot radius, with a central angle of 51° 27' 45", and along chord of which bears South 69° 42' 18" East, a distance of 121.56 feet to a point; thence tangent to said curve

South 48° 58' 26" East, a distance of 256.67 feet to the beginning of a tangent curve; thence 173.98 feet along a curve to the left, having a 870.00 foot radius, with a central angle of 11° 27' 29", and along chord of which bears South 49° 42' 10" East, a distance of 173.69 feet to a point; thence tangent to said curve

South 55° 25' 54" East, a distance of 813.27 feet to a point; thence

South 55° 48' 10" East, a distance of 945.99 feet to the beginning of a tangent curve; thence 219.26 feet along a curve to the left, having a 405.00 foot radius, with a central angle of 31° 01' 10", and along chord of which bears South 40° 17' 36" East, a distance of 216.60 feet to a point; thence tangent to said curve

South 24° 47' 01" East, a distance of 110.37 feet to a point; thence

South 22° 27' 25" East, a distance of 177.51 feet to a point on the Easterly boundary of the Northeast Quarter of the Southeast Quarter; thence South 00° 30' 50" West, a distance of 697.12 feet along said Easterly boundary to the POINT OF BEGINNING.

Parcel II

A parcel of land being a portion of Government Lots 1 and 9, located in the North Half of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

BEGINNING at the Northeast corner of Section 24 (said point being the Northeast corner of said Government Lot 1), Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho; thence

South 00° 53' 00" East a distance of 1324.98 feet along the East boundary of said Government Lot 1 to a point marking the Southeast corner of said Government Lot 1; thence

South 89° 14' 15" West a distance of 1394.16 feet along the South boundary of said Government Lots 1 and 9 to the Southwest corner of said Government Lot 9; thence

North 00° 10' 21" West a distance of 702.93 feet along the West boundary of said Government Lot 9 to a point on the centerline of Upper Reynolds Creek Road; thence leaving said West boundary

North 57° 11' 22" East a distance of 1063.24 feet along said centerline; thence

Form 8674 R02/2007

North 64° 35'36" East a distance of 137.29 feet along said centerline to a point on the North boundary of said Government Lot 1; thence
North 89° 08'03" East a distance of 358.14 feet along said North boundary to the POINT OF BEGINNING, said point being the Northeast corner of Government Lot 1.

Parcel III

Governments Lots 1 and 9, Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho.

EXCEPTING THEREFROM TRACTS I & II described as follows:

TRACT I

A parcel of land being a portion of Government Lots 1 and 9, located in the North Half of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

BEGINNING at the Northeast corner of Section 24 (said point being the Northeast corner of said Government Lot 1), Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho; thence

South 00° 53'00" East a distance of 1324.98 feet along the East boundary of said Government Lot 1 to a point marking the Southeast corner of said Government Lot 1; thence

South 89° 14'15" West a distance of 1394.16 feet along the South boundary of said Government Lots 1 and 9 to the Southwest corner of said Government Lot 9; thence

North 00° 10'21" West a distance of 702.93 feet along the West boundary of said Government Lot 9 to a point on the centerline of Upper Reynolds Creek Road; thence leaving said West boundary

North 57° 11'22" East a distance of 1063.24 feet along said centerline; thence

North 64° 35'36" East a distance of 137.29 feet along said centerline to a point on the North boundary of said Government Lot 1; thence

North 89° 08'03" East a distance of 358.14 feet along said North boundary to the POINT OF BEGINNING, said point being the Northeast corner of Government Lot 1.

TRACT II

A parcel of land situate in Lot 9 of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, more particularly described as follows:

Beginning at the Northwest corner of said Lot 9; thence South along the West line a distance of 200 feet; thence East parallel to the North line a distance of 200 feet; thence North 200 feet to the North line of said Lot 9; thence West 200 feet to the POINT OF BEGINNING.

Together with a 20 foot Right of Way for road purposes along the West line of said Lot 9 to the junction with the Reynolds Creek County, Road.

Including all water rights appurtenant to the property including:

Parcel I:

Water Right Number	Status
57-11663	Permit
57-7245	Decreed
57-1010	Decreed

Parcel II and Parcel III:

Water Right Number	Status
57-11630	Permit
57-7392	Decreed

Containing 153 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 reversionary rights; all privileges, hereditaments and appurtenances; all water, irrigation and drainage rights; and all abstracts or other evidence of title;

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

AMOUNT AND TERMS.

The MORTGAGOR has made a promissory note payable to the order of MORTGAGEE. The promissory note is dated 06/12/2007. The mortgage secures to the MORTGAGEE the payment of \$ 1,000,000.00 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 06/30/2017 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 \$ 0.00, 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.

PROMISES BY MORTGAGOR.

MORTGAGOR promises as follows:

1. **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).
2. **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.
3. **PAYMENT.** To pay when due all payments as set out in the note(s) secured by this mortgage.
4. **TAXES AND ASSESSMENTS.** To pay when due all taxes and assessments 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.
5. **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.
6. **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.
7. **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 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.
8. **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.

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.

1. **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.
2. **INDEMNITY.** Mortgagor agrees to indemnify and hold Mortgagee, its 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.
3. **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.

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. 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.

WATER RIGHTS.

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.

ADVANCES.

In the event MORTGAGOR does not pay when due any costs incurred for abstracting, 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.

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 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.

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(s) 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 again accelerating the debt based on a later breach of the promises contained in this mortgage.

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 which would make MORTGAGOR ineligible to borrow from the MORTGAGEE. Regardless of whether a change of ownership appears as a matter of public record, the MORTGAGEE will have 60 days from the date of receiving a written notice of change of ownership to accelerate the debt and if the MORTGAGEE does not do so within this 60 days its right to accelerate the debt shall expire.

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.

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.

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.

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.

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.

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.

J & M CATTLE, INC, an Idaho Corporation

By *[Signature]*
JON C. MORTENSEN, PRESIDENT

ACKNOWLEDGEMENT

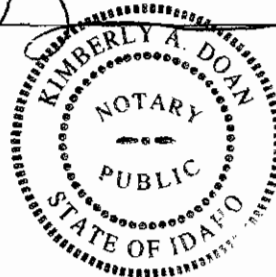
STATE OF IDAHO)
COUNTY OF DANFORTH) SS.

This instrument was acknowledged before me this 22nd day of June, 2007, by
Jon C. Mortensen, President of J and M Cattle, Inc., an Idaho corporation

My Commission (appointment) expires:

12-11

[Signature]



Notary Public

20070547-

Instrument # 261485

MURPHY, OWYHEE, IDAHO

2007-06-22 04:28:11 No. of Pages: 4

Recorded for : PIONEER TITLE CO

CHARLOTTE SHERBURN

Fee: 12.00

Ex-Officio Recorder Deputy *M. Peterson*

Index to: UCC-1 FIXTURE FILING/REAL RECORDS

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ann Bahr	
B. SEND ACKNOWLEDGMENT TO: (Name and Address) FCS of Central Kansas, FLCA PO Box 12800 Wichita, KS 67277-2800	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only <u>one</u> debtor name (1a or 1b) – do not abbreviate or combine names					
1a. ORGANIZATION'S NAME FULLMER AND MORTENSEN CATTLE COMPANY, LLC					
OR					
1b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 12971 BAILEY RD		CITY MELBA		STATE ID	POSTAL CODE 83641
COUNTRY U.S.					
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID.#, if any W41865 ☐ NONE	
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only <u>one</u> debtor name (2a or 2b) – do not abbreviate or combine names					
2a. ORGANIZATION'S NAME J AND M CATTLE, INC					
OR					
2b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS 12971 BAILEY RD		CITY MELBA		STATE ID	POSTAL CODE 83641
COUNTRY U.S.					
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID.#, if any C131838 ☐ NONE	
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) – insert only <u>one</u> secured party name (3a or 3b)					
3a. ORGANIZATION'S NAME FCS of Central Kansas, FLCA					
OR					
3b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS PO Box 12800		CITY Wichita		STATE KS	POSTAL CODE 67277-2800
COUNTRY U.S.					

4. This FINANCING STATEMENT covers the following collateral:

All fixtures now owned or hereafter acquired by the debtor, together with all additions, substitutions and replacements thereof located at Owyhee County, Idaho, the record owner of the real estate is J and M Cattle, Inc.. Said fixtures include, but are not limited to: calf huts, pens, windbreaks, shades, fencing, storage and feeding equipment, and milk processing and storage equipment.

All equipment now owned or hereafter acquired by the debtor used in the debtor's calf raising and feeding operation.

All water rights appurtenant to the property including:

Parcel I:

Water Right Number	Status
57-11663	Permit
57-7245	Decreed
57-1010	Decreed

Parcel II and Parcel III:

Water Right Number	Status
57-11630	Permit
57-7392	Decreed

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING			
6. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2 [ADDITIONAL FEE] [optional]	
8. OPTIONAL FILER REFERENCE DATA			

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME	FULLMER AND MORTENSEN CATTLE COMPANY, LLC		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS	CITY		STATE	POSTAL CODE COUNTRY
				U.S.
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL I.D.#, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME	FCS of Central Kansas, FLCA			
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS	CITY		STATE	POSTAL CODE COUNTRY
PO Box 12800	Wichita		KS	67277-2800 U.S.

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

See attached "ATTACHMENT TO UCC" consisting of 2 pages

16. Additional collateral description:

15. Name and address of RECORD OWNER of above-described Real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

- ☐ Debtor is a TRANSMITTING UTILITY
☐ Filed in connection with a Manufactured-Home Transaction - effective 30 years
☐ Filed in connection with a Public-Finance Transaction - effective 30 years

ATTACHMENT TO UCC

Parcel I

A parcel of land being a portion of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter Section 13, Township 1 South, Range 3 West of the Boise Meridian, Owyhee County, Idaho, more particularly described as follows;

Commencing at the Southeast corner of the Southeast Quarter of said Section 13, said corner monumented with a 3-inch brass disk; thence

North 00° 30' 53" East, a distance of 1,317.66 feet along the Easterly boundary of the Southeast Quarter of the Southeast Quarter to the Southeast corner of the Northeast Quarter of the Southeast Quarter, monumented with a found railroad spike, said corner also being the POINT OF BEGINNING; thence

North 89° 37' 38" West, a distance of 1,346.90 feet along the Southerly boundary of the Northeast Quarter of the Southeast Quarter to the Southwest corner of the Northeast Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 89° 37' 27" West, a distance of 1,340.13 feet along the Southerly boundary of the Northwest Quarter of the Southeast Quarter to the Southwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 00° 43' 16" East, a distance of 1,327.25 feet along the Westerly boundary of the Northwest Quarter of the Southeast Quarter to the Northwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 00° 42' 56" East, a distance of 1,317.88 feet along the Westerly boundary of the Southwest Quarter of the Northeast Quarter to a point on the approximate centerline of an irrigation ditch; thence along said approximate centerline the following courses and distances;

South 58° 26' 37" East, a distance of 373.41 feet to the beginning of a tangent curve; thence 90.39 feet along a curve to the left, having a 140.00 foot radius, with a central angle of 36° 59' 34", and along chord of which bears South 76° 56' 24" East, a distance of 88.83 feet to a point; thence tangent to said curve

North 84° 33' 50" East, a distance of 124.93 feet to the beginning of a tangent curve; thence 125.75 feet along a curve to the right, having a 140.00 foot radius, with a central angle of 51° 27' 45", and along chord of which bears South 69° 42' 18" East, a distance of 121.56 feet to a point; thence tangent to said curve

South 48° 58' 26" East, a distance of 256.67 feet to the beginning of a tangent curve; thence 173.98 feet along a curve to the left, having a 870.00 foot radius, with a central angle of 11° 27' 29", and along chord of which bears South 49° 42' 10" East, a distance of 173.69 feet to a point; thence tangent to said curve

South 55° 25' 54" East, a distance of 813.27 feet to a point; thence

South 55° 48' 10" East, a distance of 945.99 feet to the beginning of a tangent curve; thence 219.26 feet along a curve to the left, having a 405.00 foot radius, with a central angle of 31° 01' 10", and along chord of which bears South 40° 17' 36" East, a distance of 216.60 feet to a point; thence tangent to said curve

South 24° 47' 01" East, a distance of 110.37 feet to a point; thence

South 22° 27' 25" East, a distance of 177.51 feet to a point on the Easterly boundary of the Northeast Quarter of the Southeast Quarter; thence

South 00° 30' 50" West, a distance of 697.12 feet along said Easterly boundary to the POINT OF BEGINNING.

Parcel II

A parcel of land being a portion of Government Lots 1 and 9, located in the North Half of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

BEGINNING at the Northeast corner of Section 24 (said point being the Northeast corner of said Government Lot 1), Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho; thence

South 00° 53' 00" East a distance of 1324.98 feet along the East boundary of said Government Lot 1 to a point marking the Southeast corner of said Government Lot 1; thence

South 89° 14' 15" West a distance of 1394.16 feet along the South boundary of said Government Lots 1 and 9 to the Southwest corner of said Government Lot 9; thence

North 00° 10' 21" West a distance of 702.93 feet along the West boundary of said Government Lot 9 to a point on the centerline of Upper Reynolds Creek Road; thence leaving said West boundary

North 57° 11' 22" East a distance of 1063.24 feet along said centerline; thence

North 64° 35' 36" East a distance of 137.29 feet along said centerline to a point on the North boundary of said Government Lot 1; thence

North 89° 08' 03" East a distance of 358.14 feet along said North boundary to the POINT OF BEGINNING, said point being the Northeast corner of Government Lot 1.

ATTACHMENT TO UCC

Parcel III

Governments Lots 1 and 9, Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho.

EXCEPTING THEREFROM TRACTS I & II described as follows:

TRACT I

A parcel of land being a portion of Government Lots 1 and 9, located in the North Half of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

BEGINNING at the Northeast corner of Section 24 (said point being the Northeast corner of said Government Lot 1), Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho; thence

South $00^{\circ} 53'00''$ East a distance of 1324.98 feet along the East boundary of said Government Lot 1 to a point marking the Southeast corner of said Government Lot 1; thence

South $89^{\circ} 14'15''$ West a distance of 1394.16 feet along the South boundary of said Government Lots 1 and 9 to the Southwest corner of said Government Lot 9; thence

North $00^{\circ} 10'21''$ West a distance of 702.93 feet along the West boundary of said Government Lot 9 to a point on the centerline of Upper Reynolds Creek Road; thence leaving said West boundary

North $57^{\circ} 11'22''$ East a distance of 1063.24 feet along said centerline; thence

North $64^{\circ} 35'36''$ East a distance of 137.29 feet along said centerline to a point on the North boundary of said Government Lot 1; thence

North $89^{\circ} 08'03''$ East a distance of 358.14 feet along said North boundary to the POINT OF BEGINNING, said point being the Northeast corner of Government Lot 1.

TRACT II

A parcel of land situate in Lot 9 of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, more particularly described as follows:

Beginning at the Northwest corner of said Lot 9; thence South along the West line a distance of 200 feet; thence East parallel to the North line a distance of 200 feet; thence North 200 feet to the North line of said Lot 9; thence West 200 feet to the POINT OF BEGINNING.

Together with a 20 foot Right of Way for road purposes along the West line of said Lot 9 to the junction with the Reynolds Creek County, Road.



Farm Credit

SECURITY AGREEMENT

FULLMER & MORTENSEN CATTLE COMPANY, LLC

COPY

Each of the undersigned (Borrower, "whether one or more) and Farm Credit of the Heartland, PCA ("Lender") enter into this Security Agreement, and agree as follows:

1. **CREATION OF SECURITY INTEREST.** Borrower grants to the Lender a present security interest in the property described in Section 2 to secure payment and performance of all obligations, indebtedness, and liabilities of any kind, whenever and however incurred, absolute or contingent, due or to become due, now existing or hereafter arising of the Borrower to the Lender, including the liabilities arising because of funds advanced at the option of the Lender.
- 1.1 **AUTHORIZATION TO FILE FINANCING STATEMENTS.** Borrower hereby irrevocably authorizes Lender at any time and from time to time to file any Uniform Commercial Code financing statements or amendments that Lender deems appropriate covering the collateral described in this security agreement and identifiable proceeds of the collateral.
2. **COLLATERAL.** The Borrower grants and assigns to the Lender a security interest in the following property together with all additions, accessions, replacements, substitutions, proceeds and products therefrom including natural increase of livestock and any and all property of similar type or kind now owned or hereafter acquired by the Borrower and used for either personal, family or household purposes; farming or ranching operations; or any other business in which the Borrower is or might be engaged.

(Note: When timber is taken as collateral, the real estate on which such is growing must be described.)

All livestock now owned or hereafter acquired by the debtor, and the increase thereof.

All inventory now owned or hereafter acquired by debtor.

All accounts and general intangibles now owned or hereafter acquired by the debtor. Debtor grants Lender the authority to directly collect accounts in the event of default.

All equipment now owned or hereafter acquired by the debtor.

All chattel paper now owned or hereafter acquired.

All water rights appurtenant to the property.

10,000 shares of stock in J AND M CATTLE, INC., Certificate No. Two issued to Jon C Mortensen.

10,000 shares of stock in J AND M CATTLE, INC., Certificate No. Three issued to Que J Fullmer and acquired by Jon C Mortensen pursuant to the Stock Redemption Agreement dated November 24, 2008.

Jon C Mortensen's interest and ownership in Fullmer & Mortensen Cattle Company, LLC, a limited liability company.

3. ☐ **FEEDLOT LOAN.** If checked, this security agreement secures a loan to a feedlot.

STANDARD PROVISIONS

DEFAULT. Borrower is in default of this Agreement under the following circumstances: (1) failure to repay principal or interest as provided in the Note and Loan Agreement; (2) breach of any term, condition or representation in connection with any loan with Lender or in connection with any loan with any other lender; (3) if any of Borrower's representations to Lender in connection with any loan proves to be materially false; (4) if Lender determines, in its sole discretion, that Borrower is unable to repay the indebtedness or Lender otherwise deems itself insecure; (5) if Borrower uses disbursements for a purpose other than the stated purpose; (6) loss, theft, damage, destruction, unauthorized sale or encumbrance to or of any collateral or the making of any levy, seizure, attachment for or on any collateral; (7) if, solely in Lender's judgment, Borrower has experienced a material adverse change in financial condition; (8) death, dissolution, termination of existence, insolvency, business failure, petition for or appointment of a receiver, assignment for the benefit of creditors by, or commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower, or any guarantor, endorser or surety for Borrower.

BORROWER'S OBLIGATIONS AND AGREEMENTS.

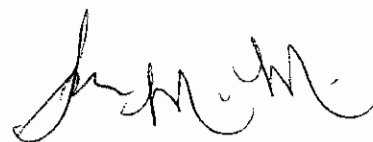
- A. **Annual Financial Statements.** At Lender's request, Borrower agrees to provide verifiable financial statements at least annually at fiscal year end.
- B. **Leased Lands.** Borrower will pay, when due, all installments of rents due or to become due on leased land held by Borrower and used for pasture of any of the livestock or for any agricultural purpose and will renew all such leases and keep them in force during the existence of this Agreement. Borrower will pay all charges for permits, held by Borrower, for grazing any of the above described livestock in National Forests and Public Domains and keep such permits in force during the life of this Agreement.

- C. **Borrower's Address and Location of Collateral.** Borrower will immediately notify Lender, in writing, of any change in Borrower's address. Borrower shall, at all times, keep collateral at the designated location(s) unless advance notice is given to the secured Lender and the secured Lender consents, in writing, to removal to another location.
- D. **ADDITIONAL COLLATERAL, LENDER MAY REQUEST ADDITIONAL COLLATERAL FOR THIS LOAN FROM TIME TO TIME. BORROWER AGREES TO DELIVER ADDITIONAL COLLATERAL AS LENDER MAY, IN GOOD FAITH, REQUIRE.**
- E. **Livestock as Farm Products.** Borrower agrees that all livestock, either used in a farming or ranching operation or in any other business in which the Borrower is engaged, shall be classified as farm products for UCC purposes unless the FEEDLOT LOAN box is checked on the front of this security agreement.
- F. If the FEEDLOT box is checked on the front of this security agreement or the secured loan is an agribusiness loan: (1) Borrower warrants that each pledged receivable is a good and valid obligation representing an undisputed debt incurred by Borrower's account debtor for a fixed sum, as set forth by invoice, for goods delivered or services rendered; (2) Borrower warrants that no pledged receivable is subject to any defense, offset, or counterclaim and will be paid in full when due; (3) Borrower shall promptly notify Lender in writing of any claims or defenses raised by account debtors; (4) Borrower shall have the right, in the regular course of business, to purchase and sell all feed and supplies used in fattening, producing or maintaining livestock covered by the terms of this Security Agreement; (5) Borrower shall, at intervals and in form and manner established solely by Lender from time to time, submit to Lender a confirmatory assignment of accounts receivable and inventory listing collateral; (6) Lender shall have the right to notify Borrower's account debtors of the assignment of Borrower's receivables to Lender and require them to make payment directly to Lender; and, (7) Lender may enforce collection of, settle, compromise extend, or renew the indebtedness of Borrower's account debtors on Borrower's assignment of accounts to Lender.
- G. **Authority to Perform for Borrower.** If Borrower fails to act as required by this Agreement, Lender is authorized, in Borrower's name or otherwise, to take any such action including without limitation signing Borrower's name or paying any amount so required. Lender may, at its option, pay for taxes, water or ditch assessments, insurance premiums, satisfaction of mechanic or materialman's liens with respect to labor, materials or supplies furnished or delivered in connection with ownership, use or operation of collateral, feed liens and all other liens which are, or might be, prior to the lien of any security instruments given by Borrower to the secured Lender. The cost(s) shall be obligation(s) secured by this Agreement and shall be payable by Borrower on demand at the same rate of interest currently being charged Borrower on the obligations from the date of payment by Lender.
- H. **List of Buyers of Farm Products.** Borrower shall furnish to the secured Lender a list in writing of buyers, commission merchants and selling agents to or through whom Borrower may sell farm products and shall notify the secured Lender in writing of any previously unlisted buyer, commission merchant or selling agent at least 7 days prior to any sale of farm products to or through such previously unlisted persons. A sale of farm products to or through any person not listed with the secured lender may subject the borrower to a surcharge of \$5,000 or 15% of the value or benefit received from such sale in the event proceeds from sale are not forwarded to Lender within 10 days of sale.
- I. **Preservation of Collateral.** Borrower shall: (1) care for the collateral in accordance with good farming and/or husbandry practices and not permit its value to be impaired; (2) **KEEP COLLATERAL FREE FROM ALL LIENS, ENCUMBRANCES, AND SECURITY INTERESTS (OTHER THAN THOSE CREATED BY THIS AGREEMENT) UNLESS THE LENDER CONSENTS IN WRITING, IN ADVANCE;** (3) defend Collateral against all claims and legal proceedings by persons other than Lender; (4) initiate action reasonably deemed advisable by Lender to preserve collateral or to establish, determine priority of, perfect, continue perfected, terminate, and/or enforce Lender's interest in it or rights under this Agreement; (5) pay and discharge when due all taxes, license fees, levies, and other charges upon collateral; (6) unless authorized, not sell, store off farm, lease, or otherwise dispose of collateral; (7) not permit collateral to become a fixture or an accession to other goods except as Lender specifically authorizes, in writing; (8) not permit collateral to be used in violation of any applicable law, regulation, or policy of insurance. Loss of, or damage to, collateral shall not release Borrower from any of the obligations.
- J. **Insurance.** At Lender's request, Borrower shall keep all collateral, and Lender's interest in it, insured under policies naming Lender as loss payee with such provisions for such reasonable amounts and by such insurers as shall be satisfactory to Lender. Borrower shall furnish satisfactory evidence of such insurance to Lender. Borrower assigns to Lender the proceeds of all such insurance and any premium refund. Lender is authorized to apply such proceeds and refunds to any unpaid balance of the obligations secured by this Agreement whether or not due, and/or to restoration of the collateral.
- K. **Inspection of Collateral.** Lender is authorized to examine collateral, wherever located, at any reasonable time.

PRODUCTS, PROCEEDS AND AFTER ACQUIRED PROPERTY. Lender's security interest extends to all property of similar type or kind now owned or hereafter acquired by Borrower and used or bought for personal, family or household purposes, farming or ranching operations, or in any other business in which Borrower may be engaged, including, but not limited to all additions, accessions, replacements, substitutions, proceeds and products from livestock, harvested crops, feed, seed and ginned cotton; all replacements, additions and accessions to and spare and repair parts, special tools and equipment; all conceived but yet unborn offspring, all natural increases, additions to and replacements and substitutions of livestock and poultry, all trading cattle, commissioned cattle, whether branded or marked in one or more of the above brands or marks or branded or marked in a different brand or mark, or unbranded or unmarked; all wool growing or to be grown on sheep or mohair on goats, both before and after shearing; all milk produced by any cows and all milk assignments; all feed to be used in the feeding, maintaining or fattening of livestock; all capital retains; all warehouse receipts, documents, storage contracts (including but not limited to CCC contracts), deficiency payments, all governmental subsidies and/or incentives, all marketing rights and all other contract rights arising from sale or other disposition of collateral and all replacements of, proceeds of, and additions to other personal property above described.

FUTURE ADVANCES. Collateral under this Security Agreement secures future loans and advances given by Lender to Borrower and is security for the payment and performance of all such loans and advances as well as any other liability of Borrower to Lender.

SECURED LENDER'S RIGHTS AND REMEDIES. The secured Lender at its options, shall have all of the rights and remedies provided under the Uniform Commercial Code or other applicable law. **IT IS UNDERSTOOD THAT WITHOUT PRIOR NOTICE TO THE BORROWER OR AN OPPORTUNITY FOR HEARING, THE SECURED LENDER, IN ITS SOLE DETERMINATION THAT AN EVENT OF DEFAULT HAS OCCURRED, MAY EXERCISE RIGHTS AND REMEDIES PROVIDED FOR UNDER THE UNIFORM COMMERCIAL CODE WHICH INCLUDES TAKING POSSESSION OF**



COLLATERAL, WITH OR WITHOUT AID OF LEGAL PROCESS, AND SUBSEQUENTLY DISPOSING OF IT. BORROWER AGREES WITH THE EXERCISING OF THESE RIGHTS AND REMEDIES BY THE SECURED LENDER AND VOLUNTARILY AND FREELY WAIVES SUCH RIGHTS, AS HE MAY HAVE, OF A NOTICE OF HEARING PRIOR TO SECURED LENDER'S EXERCISING SUCH RIGHTS AND REMEDIES. In lieu of, addition to, conjunction with, or substitution for these rights and remedies the secured Lender may (a) enter upon Borrower's premises at any reasonable time to inspect Collateral and, in the event of Borrower's default, to take possession of or to complete the growing, grazing, fattening or other farming operations in connection with the collateral preparatory to its disposition, and for these purposes, the secured Lender may require Borrower to assemble the collateral and make it available to the secured Lender at a place reasonably convenient to both parties; and, (b) taking this Security Agreement shall not waive or impair any other security Lender may have or hereafter acquire for payment of the above indebtedness, nor shall taking any additional Collateral waive or impair this Security Agreement. The secured Lender may resort to any security it may have, in the order it may deem proper, and notwithstanding any collateral security, secured Lender shall retain its rights of setoff against Borrower; and, (c) notice mailed to Borrower at any address, as it appears with his signature above, ten (10) days before the date of public sale of collateral or the date after which private sale of collateral will take place shall, constitutes reasonable notice to Borrower. When collateral is livestock, it is agreed that a commercially reasonable means of disposing of the collateral shall include sale through a livestock market or through a licensed livestock sales company. The secured Lender may enter on Borrower's premises without being liable for damages and take possession of the collateral without judicial process and may use and occupy the premises and pasturage, feed pens, feed troughs and water privileges of Borrower for the purpose of feeding or caring for any livestock. It is agreed that crops shall be considered as perishable and may decline speedily in value. The secured Lender may protect, cultivate, care for, harvest or thresh or combine the crops at the Borrower's expense and may sell and dispose of the crops at private sale if the same are mature or are harvested at the best available price.

DEFICIENCY JUDGMENT. Lender will be entitled to a deficiency judgment if the proceeds of sale do not pay all of the secured obligations (except where prohibited by law).

ADMISSION, AGREEMENTS AND AFFIRMATIONS.

- (1) **Persons Bound.** Borrower and Lender as used in this Agreement includes the heirs, executors, administrators, successors, and assigns of these parties. If more than one borrower executes this agreement, their obligations shall be joint and several.
- (2) **Incorporation by Reference.** This Agreement includes all amendments and supplements to it, and also incorporates by reference the terms of all assignments, instruments, documents, other writings, or written agreements between Borrower and Lender.
- (3) **Waiver.** Borrower. All persons or entities who are or who may become liable on this debt expressly waive demand for payment, protest and notice of dishonor on nonpayment. Lender. No waiver of default by Lender shall operate as a waiver of any other default or of the same default on a future occasion.
- (4) **Expenses.** To the extent applicable law allows, Borrower is liable for payment of all expenses pertaining to retaking, holding, preparing for sale, and selling of collateral which would include, but not be limited to, all attorney's fees and legal expenses.

MERGER. This Agreement supersedes all prior oral negotiations, representations, and promises which are hereby merged into this writing. This agreement, and any amendments, renewals or extensions to it constitutes the entire agreement between the Borrower and Lender.

PARTIES BOUND. Each person signing this Agreement is a Borrower and the obligations and covenants of all borrowers under this agreement are joint and several unless otherwise noted. This agreement is binding on all parties and their respective heirs, personal representatives, successors and assigns.

LOCATION. The Borrower's residence is as stated below and the collateral in Section 2 will be kept at:

LOCATION OF COLLATERAL:

COUNTY: **Owyhee**

STATE: **Idaho**

Primary Borrower Address: **12971 BAILEY RD. MELBA, ID 83641**

Date: **01/08/2009**

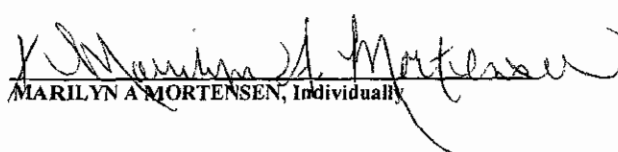
**FULLMER & MORTENSEN CATTLE COMPANY,
LLC, an Idaho limited liability company**

J AND M CATTLE, INC., an Idaho corporation

X By 
JON C MORTENSEN, President and Member

X By 
JON C MORTENSEN, President

X 
JON C MORTENSEN, Individually

X 
MARILYN A MORTENSEN, Individually

THE BORROWER, BY SIGNING THIS SECURITY AGREEMENT, ACKNOWLEDGES THAT HE OR SHE HAS READ ALL OF THE PROVISIONS OF SUCH AND HAS RECEIVED A COPY OF SUCH.

200 80 9991

FULLMER & MORTENSEN CATTLE COMPANY, LLC



Farm Credit

MORTGAGE AND SECURITY AGREEMENT

(With Future Advance Clause)

Loan No. 20-3358883

DATE

THIS MORTGAGE is made on this 8th day of January, 2009.

PARTIES

The parties to this mortgage are:

J AND M CATTLE, INC., an Idaho corporation

Instrument # 267158

MURPHY, OWYHEE, IDAHO

2009-01-09 04:07:00 PM No. of Pages: 4

Recorded for: PIONEER TITLE COMPANY/OWY

CHARLOTTE SHERBURN

Fee: 12.00

Ex-Officio Recorder Deputy mpeterson

Index To: MORTGAGE

Electronically Recorded by Simplifile

Hereafter called MORTGAGOR, whether one or more, and Farm Credit of the Heartland, PCA.

(MORTGAGEE)

. 7940 W Kellogg Dr, PO Box 12800, Wichita, KS 67277

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 Owyhee and the State of Idaho described as follows:

The Northeast Quarter of the Northeast Quarter; the South Half of the Northeast Quarter; and the Northeast Quarter of the Southeast Quarter of Section 13, Township 1 South, Range 3 West of the Boise Meridian, Owyhee County, Idaho, EXCEPTING therefrom the following described land:

A parcel of land being a portion of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter Section 13, Township 1 South, Range 3 West of the Boise Meridian, Owyhee County, Idaho, more particularly described as follows:

Commencing at the Southeast corner of the Southeast Quarter of said Section 13, said corner monumented with a 3-inch brass disk; thence North 00° 30' 53" East, a distance of 1,317.66 feet along the Easterly boundary of the Southeast Quarter of the Southeast Quarter to the Southeast corner of the Northeast Quarter of the Southeast Quarter, monumented with a found railroad spike, said corner also being the POINT OF BEGINNING; thence North 89° 37' 38" West, a distance of 1,346.90 feet along the Southerly boundary of the Northeast Quarter of the Southeast Quarter to the Southwest corner of the Northeast Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence North 89° 37' 27" West, a distance of 1,340.13 feet along the Southerly boundary of the Northwest Quarter of the Southeast Quarter to the Southwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence North 00° 43' 16" East, a distance of 1,327.25 feet along the Westerly boundary of the Northwest Quarter of the Southeast Quarter to the Northwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence North 00° 42' 56" East, a distance of 1,317.88 feet along the Westerly boundary of the Southwest Quarter of the Northeast Quarter to a point on the approximate centerline of an irrigation ditch; thence along said approximate centerline the following courses and distances: South 58° 26' 37" East, a distance of 373.41 feet to the beginning of a tangent curve; thence 90.39 feet along a curve to the left, having a 140.00 foot radius, with a central angle of 36° 59' 34", and along chord of which bears South 76° 56' 24" East, a distance of 88.83 feet to a point; thence tangent to said curve North 84° 33' 50" East, a distance of 124.93 feet to the beginning of a tangent curve; thence 125.75 feet along a curve to the right, having a 140.00 foot radius, with a central angle of 51° 27' 45", and along chord of which bears South 69° 42' 18" East, a distance of 121.56 feet to a point; thence tangent to said curve South 48° 58' 26" East, a distance of 256.67 feet to the beginning of a tangent curve; thence 173.98 feet along a curve to the left, having a 870.00 foot radius, with a central angle of 11° 27' 29", and along chord of which bears South 49° 42' 10" East, a distance of 173.69 feet to a point; thence tangent to said curve South 55° 25' 54" East, a distance of 813.27 feet to a point; thence South 55° 48' 10" East, a distance of 945.99 feet to the beginning of a tangent curve; thence 219.26 feet along a curve to the left, having a 405.00 foot radius, with a central angle of 31° 01' 10", and along chord of which bears South 40° 17' 36" East, a distance of 216.60 feet to a point; thence tangent to said curve South 24° 47' 01" East, a distance of 110.37 feet to a point; thence South 22° 27' 25" East, a distance of 177.51 feet to a point on the Easterly boundary of the Northeast Quarter of the Southeast Quarter; thence South 00° 30' 50" West, a distance of 697.12 feet along said Easterly boundary to the POINT OF BEGINNING.

Including all water rights appurtenant to the property.

Containing 80 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 reversionary rights; all privileges, hereditaments and appurtenances; all water, irrigation and drainage rights; and all abstracts or other evidence of title;

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

AMOUNT AND TERMS

The MORTGAGOR has made a promissory note payable to the order of the MORTGAGEE. The promissory note is dated January 8, 2009. The mortgage secures to the MORTGAGEE the payment of \$1,600,000.00 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 as provided in said note subject to renewals and extensions thereof. The promissory note states the interest rate on the principal sum, and may also provide for future changes in the interest rate. That this mortgage shall secure: (a) payment of the above described note, including without limitation any and all future advances made by the Mortgagee there under; (b) any and all additional indebtedness of the Mortgagor to the Mortgagee, now existing or hereafter created, matured or unmatured, direct or contingent and any renewals and extensions thereof and substitutions therefore, whether or not such other indebtedness is incurred or becomes payable under the provisions hereof and whether as future advances or otherwise. The aggregate advances made under the notes secured hereby may exceed the face amount of such note, but the unpaid principal balance shall not exceed such face amount.

PROMISES BY MORTGAGOR

MORTGAGOR promises as follows:

1. **TITLE.** To be the owner of the 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).
2. **USE OF LOAN PROCEEDS.** To use the proceeds from the loan secured by this mortgage solely for the purposes as stated by MORTGAGOR in MORTGAGOR'S loan application.
3. **PAYMENT.** To pay when due all payments as set out in the note secured by this mortgage.
4. **TAXES AND ASSESSMENTS.** To pay when due all taxes and assessments 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.
5. **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.
6. **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.
7. **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 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.
8. **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.

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.

1. **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.
2. **INDEMNITY.** Mortgagor agrees to indemnify and hold Mortgagee, its 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.

3. **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.

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. 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.

WATER RIGHTS.

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.

ADVANCES.

In the event MORTGAGOR does not pay when due any costs incurred for abstracting, 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.

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 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.

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 again accelerating the debt based on a later breach of the promises contained in this mortgage.

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 which would make MORTGAGOR ineligible to borrow from the MORTGAGEE. Regardless of whether a change of ownership appears as a matter of public record, the MORTGAGEE will have 60 days from the date of receiving a written notice of change of ownership to accelerate the debt and if the MORTGAGEE does not do so within this 60 days its right to accelerate the debt shall expire.

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.

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.



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.

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.

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.

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.

J AND M CATTLE, INC., an Idaho corporation

By *Jon C. Mortensen*
JON C MORTENSEN, President

ACKNOWLEDGEMENT

STATE OF

Idaho

) SS.

COUNTY OF

Canyon

This instrument was acknowledged before me this *9th* day of *January*, *2009*, by

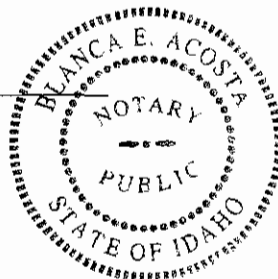
JON C MORTENSEN, President of J AND M CATTLE, INC., an Idaho corporation.

Blanca E. Acosta

, Notary Public

My commission (appointment) expires: _____

Blanca E. Acosta
Residing in Nampa, Idaho
My Commission Expires 9/16/2011



5

Instrument # 261487

MURPHY, OWYHEE, IDAHO

2007-06-22

04:30:58 No. of Pages: 4

Recorded for : PIONEER TITLE CO

CHARLOTTE SHERBURN

Fee: 12.00

Ex-Officio Recorder Deputy *Ampterson*
Index to: UCC-1 FIXTURE FILING/REAL RECORDS

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

Ann Bahr

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

FCS of Central Kansas, PCA
PO Box 12800
Wichita, KS 67277-2800

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

FULLMER AND MORTENSEN CATTLE COMPANY, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

12971 BAILEY RD

CITY

MELBA

STATE

ID

POSTAL CODE

83641

COUNTRY

U.S.

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

1f. JURISDICTION OF ORGANIZATION

1g. ORGANIZATIONAL ID #, if any

W41865

☐ NONE2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

J AND M CATTLE, INC

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

12971 BAILEY RD

CITY

MELBA

STATE

ID

POSTAL CODE

83641

COUNTRY

U.S.

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

C131838

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

FCS of Central Kansas, PCA

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

PO Box 12800

CITY

Wichita

STATE

KS

POSTAL CODE

67277-2800

COUNTRY

U.S.

4. This FINANCING STATEMENT covers the following collateral:

All fixtures now owned or hereafter acquired by the debtor, together with all additions, substitutions and replacements thereof located at Owyhee County, Idaho, the record owner of the real estate is J and M Cattle, Inc.. Said fixtures include, but are not limited to: calf huts, pens, windbreaks, shades, fencing, storage and feeding equipment, and milk processing and storage equipment. All equipment now owned or hereafter acquired by the debtor used in the debtor's calf raising and feeding operation.

All water rights appurtenant to the property including:

Parcel I:

Water Right Number	Status
57-J1663	Permit
57-7245	Decreed
57-i010	Decreed

Parcel II and Parcel III:

Water Right Number	Status
57-I1630	Permit
57-7392	Decreed

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAIOLR ☐ SELLER/BUYER ☐ A.G. LIEN ☐ NON-UCC FILING6. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2 [ADDITIONAL FEE] [optional]

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
FULLMER AND MORTENSEN CATTLE COMPANY, LLC		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME			
OR			
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
			U.S.
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any
			☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME			
FCS of Central Kansas, PCA			
OR			
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
PO Box 12800		Wichita	KS 67277-2800 U.S.

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☒ fixture filing.

14. Description of real estate:

See attached "ATTACHMENT TO UCC" consisting of 2 pages

16. Additional collateral description:

15. Name and address of RECORD OWNER of above-described Real estate
(if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

- ☐ Debtor is a TRANSMITTING UTILITY
☐ Filed in connection with a Manufactured-Home Transaction - effective 30 years
☐ Filed in connection with a Public-Finance Transaction - effective 30 years

ATTACHMENT TO UCC

Parcel I

A parcel of land being a portion of the South Half of the Northeast Quarter and the North Half of the Southeast Quarter Section 13, Township 1 South, Range 3 West of the Boise Meridian, Owyhee County, Idaho, more particularly described as follows,

Commencing at the Southeast corner of the Southeast Quarter of said Section 13, said corner monumented with a 3-inch brass disk; thence

North 00° 30' 53" East, a distance of 1,317.66 feet along the Easterly boundary of the Southeast Quarter of the Southeast Quarter to the Southeast corner of the Northeast Quarter of the Southeast Quarter, monumented with a found railroad spike, said corner also being the POINT OF BEGINNING; thence

North 89° 37' 38" West, a distance of 1,346.90 feet along the Southerly boundary of the Northeast Quarter of the Southeast Quarter to the Southwest corner of the Northeast Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 89° 37' 27" West, a distance of 1,340.13 feet along the Southerly boundary of the Northwest Quarter of the Southeast Quarter to the Southwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 00° 43' 16" East, a distance of 1,327.25 feet along the Westerly boundary of the Northwest Quarter of the Southeast Quarter to the Northwest corner of the Northwest Quarter of the Southeast Quarter, monumented with a found B.L.M. 3-inch Aluminum disk; thence

North 00° 42' 56" East, a distance of 1,317.88 feet along the Westerly boundary of the Southwest Quarter of the Northeast Quarter to a point on the approximate centerline of an irrigation ditch; thence along said approximate centerline the following courses and distances;

South 58° 26' 37" East, a distance of 373.41 feet to the beginning of a tangent curve; thence 90.39 feet along a curve to the left, having a 140.00 foot radius, with a central angle of 36° 59' 34", and along chord of which bears South 76° 56' 24" East, a distance of 88.83 feet to a point; thence tangent to said curve

North 84° 33' 50" East, a distance of 124.93 feet to the beginning of a tangent curve; thence 125.75 feet along a curve to the right, having a 140.00 foot radius, with a central angle of 51° 27' 45", and along chord of which bears South 69° 42' 18" East, a distance of 121.56 feet to a point; thence tangent to said curve

South 48° 58' 26" East, a distance of 256.67 feet to the beginning of a tangent curve; thence 173.98 feet along a curve to the left, having a 870.00 foot radius, with a central angle of 11° 27' 29", and along chord of which bears South 49° 42' 10" East, a distance of 173.69 feet to a point; thence tangent to said curve

South 55° 25' 54" East, a distance of 813.27 feet to a point; thence

South 55° 48' 10" East, a distance of 945.99 feet to the beginning of a tangent curve; thence 219.26 feet along a curve to the left, having a 405.00 foot radius, with a central angle of 31° 01' 10", and along chord of which bears South 40° 17' 36" East, a distance of 216.60 feet to a point; thence tangent to said curve

South 24° 47' 01" East, a distance of 110.37 feet to a point; thence

South 22° 27' 25" East, a distance of 177.51 feet to a point on the Easterly boundary of the Northeast Quarter of the Southeast Quarter; thence

South 00° 30' 50" West, a distance of 697.12 feet along said Easterly boundary to the POINT OF BEGINNING.

Parcel II

A parcel of land being a portion of Government Lots 1 and 9, located in the North Half of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

BEGINNING at the Northeast corner of Section 24 (said point being the Northeast corner of said Government Lot 1), Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho; thence

South 00° 53' 00" East a distance of 1324.98 feet along the East boundary of said Government Lot 1 to a point marking the Southeast corner of said Government Lot 1; thence

South 89° 14' 15" West a distance of 1394.16 feet along the South boundary of said Government Lots 1 and 9 to the Southwest corner of said Government Lot 9; thence

North 00° 10' 21" West a distance of 702.93 feet along the West boundary of said Government Lot 9 to a point on the centerline of Upper Reynolds Creek Road; thence leaving said West boundary

North 57° 11' 22" East a distance of 1063.24 feet along said centerline; thence

North 64° 35' 36" East a distance of 137.29 feet along said centerline to a point on the North boundary of said Government Lot 1; thence

North 89° 08' 03" East a distance of 358.14 feet along said North boundary to the POINT OF BEGINNING, said point being the Northeast corner of Government Lot 1.

ATTACHMENT TO UCC

Parcel III

Governments Lots 1 and 9, Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho.

EXCEPTING THEREFROM TRACTS I & II described as follows:

TRACT I

A parcel of land being a portion of Government Lots 1 and 9, located in the North Half of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, said parcel being more particularly described as follows:

BEGINNING at the Northeast corner of Section 24 (said point being the Northeast corner of said Government Lot 1), Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho; thence

South $00^{\circ} 53'00''$ East a distance of 1324.98 feet along the East boundary of said Government Lot 1 to a point marking the Southeast corner of said Government Lot 1; thence

South $89^{\circ} 14'15''$ West a distance of 1394.16 feet along the South boundary of said Government Lots 1 and 9 to the Southwest corner of said Government Lot 9; thence

North $00^{\circ} 10'21''$ West a distance of 702.93 feet along the West boundary of said Government Lot 9 to a point on the centerline of Upper Reynolds Creek Road; thence leaving said West boundary

North $57^{\circ} 11'22''$ East a distance of 1063.24 feet along said centerline; thence

North $64^{\circ} 35'36''$ East a distance of 137.29 feet along said centerline to a point on the North boundary of said Government Lot 1; thence

North $89^{\circ} 08'03''$ East a distance of 358.14 feet along said North boundary to the POINT OF BEGINNING, said point being the Northeast corner of Government Lot 1.

TRACT II

A parcel of land situate in Lot 9 of Section 24, Township 1 South, Range 3 West, Boise Meridian, Owyhee County, Idaho, more particularly described as follows:

Beginning at the Northwest corner of said Lot 9; thence South along the West line a distance of 200 feet; thence East parallel to the North line a distance of 200 feet; thence North 200 feet to the North line of said Lot 9; thence West 200 feet to the POINT OF BEGINNING.

Together with a 20 foot Right of Way for road purposes along the West line of said Lot 9 to the junction with the Reynolds Creek County, Road.

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000



January 5, 2009

Mr. Alan R. Jaax, Chief Executive Officer
Farm Credit Services of Central Kansas, ACA
P.O. Box 12800
Wichita, KS 67277-2800

Dear Mr. Jaax:

Congratulations on the merger of the Federal Land Bank Association of Ponca City, FLCA, with and into Farm Credit Services of Central Kansas, FLCA, a subsidiary of Farm Credit Services of Central Kansas, ACA (Central Kansas ACA). As you are aware, the Farm Credit Administration (FCA) has also granted final approval to the change in names for Central Kansas ACA to Farm Credit of the Heartland, ACA (Heartland ACA), and those of its two subsidiaries to Farm Credit of the Heartland, FLCA, and Farm Credit of the Heartland, PCA, which will be the continuing associations.

On behalf of the FCA Board, I am pleased to enclose the Amendments to Charter and Articles of Incorporation for Farm Credit Services of Central Kansas, ACA, and its PCA subsidiary, and the Amendment to Charter and Articles of Association for the FLCA subsidiary, which reflect the changes in their chartered territories and their names.

Best wishes for continued success in serving the needs of your customers.

Sincerely,

A handwritten signature in cursive script that reads "Leland A. Strom".

Leland A. Strom
Chairman

Enclosures

Copy to: Mr. John Engelland, Chairman
Board of Directors
Farm Credit Services of Central Kansas, ACA

Mr. Dennis Williams, Chairman
Board of Directors
Federal Land Bank Association of Ponca City, FLCA



Amendment to Charter and Articles of Incorporation

Farm Credit Services of Central Kansas, PCA Sedgwick County, Kansas

The charter and Articles of Incorporation of Farm Credit Services of Central Kansas, PCA, which is a subsidiary of Farm Credit Services of Central Kansas, ACA, and is affiliated with U.S. AgBank, FCB, are hereby amended so that the name of said Association shall be Farm Credit of the Heartland, PCA (Association).

The charter and Articles of Incorporation of the Association are further amended so that the territory of said Association shall be as follows:

In the state of Kansas, the counties of Barber, Barton, Butler, Chautauqua, Cloud, Comanche, Cowley, Edwards, Elk, Ellis, Ellsworth, Graham, Greenwood, Harper, Harvey, Jewell, Kingman, Kiowa, Lincoln, McPherson, Mitchell, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Reno, Republic, Rice, Rooks, Rush, Russell, Saline, Sedgwick, Smith, Stafford, Sumner, and Trego, and in the state of Oklahoma, the counties of Kay, Noble, and Osage.

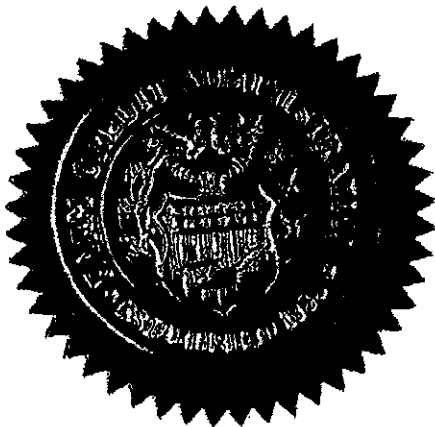
The Association is subject to Conditions of Approval imposed by the Farm Credit Administration.

The foregoing amendments are effective December 31, 2008.

IN WITNESS WHEREOF, this Amendment to Charter and Articles of Incorporation has been signed and the seal of the Farm Credit Administration has been affixed this 29th day of December 2008.

Charter No. 7778

FARM CREDIT ADMINISTRATION
McLean, Virginia



Leland A. Strom
Chairman

Attest

Roland E. Smith
Secretary to the Board

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

December 4, 2009



Mr. Ron Carli, President and
Chief Executive Officer
American AgCredit, ACA
PO Box 1120
Santa Rosa, CA 95402-1120

Dear Mr. Carli:

On behalf of the Farm Credit Administration Board, I am enclosing the Amendment to Charter and Articles of Incorporation for American AgCredit, ACA, the Amendment to Charter and Articles of Incorporation for American AgCredit, PCA, and the Amendment to Charter and Articles of Association for American AgCredit, FLCA, which reflect the changes to the associations' territories as a result of the merger of Farm Credit of the Heartland, ACA, and its subsidiaries with and into American AgCredit, ACA, and its subsidiaries.

Best wishes for continued success in serving the needs of your customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Leland A. Strom".

Leland A. Strom
Chairman

Enclosures

Copy to: Mr. David Santos, Chairman
Board of Directors
American AgCredit, ACA

Mr. John Engelland, Chairman
Board of Directors
Farm Credit of the Heartland, ACA



Amendment to Charter and Articles of Incorporation

American AgCredit, PCA Sonoma County, California

The charter and Articles of Incorporation of American AgCredit, PCA (Association), which is a subsidiary of American AgCredit, ACA, and is affiliated with U.S. AgBank, FCB, are hereby amended so that the territory of said Association shall be as follows:

The state of Nevada. In the state of California, the counties of Alameda, Alpine, Amador, Calaveras, Contra Costa, Del Norte, El Dorado, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Orange, Plumas, Riverside, San Benito, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Sierra, Siskiyou, Sonoma, Stanislaus, Tuolumne; that portion of Fresno County described as follows: these Townships or portions of Townships, Range 10E, 13S; Range 11E, 12 and 13S; Range 12E, Townships 11, 12 and 13S; Range 13E, Townships 10, 11, and 12S; that part of Los Angeles County lying south of the north line of Township 3 North, San Bernardino Baseline and Meridian; that portion of Mono County lying north of the township line common to Townships 2 and 3 North, Mount Diablo Base and Meridian ("MDB&M"); that portion of Sacramento County lying south and east of a line beginning at the intersection of the Sacramento River with the line of division between Township 6 North and Township 7 North, MDB&M, thence easterly to the intersection of said line of division with the Grant Line Road, thence northeasterly along said Grant Line Road to the intersection of said road with the easterly line of Section 22, Township 8 North, Range 7E, MDB&M, thence north to the American River, thence, northeasterly along the American River to the north boundary of Sacramento County; and that portion of Trinity County west of the crest of the Coast Ranges. In the state of Kansas, the counties of Barber, Barton, Butler, Chautauqua, Cloud, Comanche, Cowley, Edwards, Elk, Ellis, Ellsworth, Graham, Greenwood, Harper, Harvey, Jewell, Kingman, Kiowa, Lincoln, McPherson, Mitchell, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Reno, Republic, Rice, Rooks, Rush, Russell, Saline, Sedgwick, Smith, Stafford, Sumner, and Trego. In the state of Oklahoma, the counties of Kay, Noble, and Osage.

The Conditions of Approval imposed by the Farm Credit Administration on the above Association on April 1, 2001, are superseded by the attached Conditions of Approval.

The foregoing amendments are effective at the close of business on November 30, 2009.

IN WITNESS WHEREOF, this Amendment to Charter and Articles of Incorporation has been signed and the seal of the Farm Credit Administration has been affixed this 30th day of November 2009.

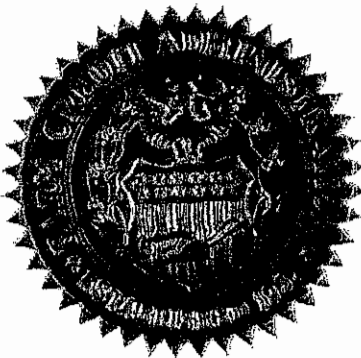
Charter No. 7855

FARM CREDIT ADMINISTRATION
McLean, Virginia

Leland A. Strom
Chairman

Attest

Roland E. Smith
Secretary to the Board



WHEN RECORDED RETURN TO:
 ZIONS FIRST NATIONAL BANK
 2460 SOUTH 3270 WEST
 WEST VALLEY CITY, UTAH 84119
 ATTN: Vera Petukhova
 Customer: J & M Cattle Inc.
 Account: 9835911-9001

RELEASE OF MORTGAGE

KNOW ALL MEN BY THESE PRESENTS:

That ZIONS FIRST NATIONAL BANK, a National Association, Salt Lake City, Utah, in consideration of the payment of the indebtedness thereby secured, does by these presents release, satisfy and discharge of record that certain Mortgage And Fixture Filing executed in its favor on October 24, 2006, by J AND M CATTLE, INC., Grantor(s) therein, and recorded October 27, 2006 AS INSTRUMENT # 258638 AND RECORDED January 4, 2007 AS INSTRUMENT # 259363, IN OWYHEE COUNTY, STATE OF IDAHO.

SEE ATTACHED EXHIBIT "A".

Real Property tax Identification number is: 35-0000.RP 01S03W/130003 A.

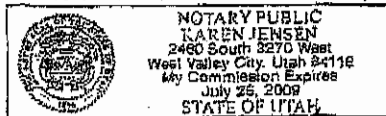
Dated this 3rd day of August 2007.

ZIONS FIRST NATIONAL BANK

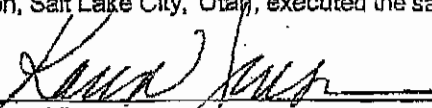
BY 
 P J CHRISTENSEN, Vice President

STATE OF UTAH)
)
 ss.
 COUNTY OF Salt Lake)

On this 3rd day of August 2007 personally appeared before me P J CHRISTENSEN who being by me duly sworn, did say that she is the Vice President of ZIONS FIRST NATIONAL BANK, a National Association, Salt Lake City, Utah, and that said instrument was signed in behalf of said National Association by authority of a resolution of its Board of Directors; and said P J CHRISTENSEN acknowledged to me that the said ZIONS FIRST NATIONAL BANK, a National Association, Salt Lake City, Utah, executed the same.



My commission expires: 7/25/09


 Notary Public

Residing at: Salt Lake

UCC FINANCING STATEMENT AMENDMENT**ELECTRONIC FILING***

A. NAME, PHONE, EMAIL, FAX OF CONTACT AT FILER: MASHEL SLOAN 801-844-5307 MSLOAN@ZIONS BANK.COM 801-844-4896
B. SEND ACKNOWLEDGMENT TO: (Name and Address) ZIONS FIRST NATIONAL BANK 2460 S. 3270 W. WEST VALLEY CITY, UT 84119

IDAHO SECRETARY OF STATE
 9/10/2007 11:51:32

\$3.00
 Filing Number:
B 6493180

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # B 200610148671	1b. This FINANCING STATEMENT AMENDMENT is to be ☐ filed (for record) (or recorded) in the REAL ESTATE RECORDS.
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2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 8.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ **CHANGE** name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. ☐ **DELETE** name: Give record name to be deleted in item 6a or 6b. ☐ **ADD** name: Complete item 7a or 7b, and all item 7c; also complete items 7d - 7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME:

OR

6b. LAST NAME:	FIRST NAME:	MIDDLE NAME:	SUFFIX:
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME:

OR

7b. LAST NAME:	FIRST NAME:	MIDDLE NAME:	SUFFIX:
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7c. MAILING ADDRESS:	CITY:	STATE:	POSTAL CODE:	COUNTY:
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7d. TAX ID #: SSN OR TIN	7e. TYPE OF ORG: ORGANIZATION DEBTOR:	7f. JURISDICTION OF ORG:	7g. ORGANIZATIONAL ID #: (if any)
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral: ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME:

OR

9b. LAST NAME:	FIRST NAME:	MIDDLE NAME:	SUFFIX:
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10. OPTIONAL FILER REFERENCE DATA:

13. Use this space for additional information.

LIEN TERMINATION

*Electronically generated from original XML Document

UCC FINANCING STATEMENT

ELECTRONIC FILING*

A. NAME, PHONE, EMAIL, FAX OF CONTACT AT FILER:

Diligenz | (800)858-5294 | FilingDept@Diligenz.com | (800)345-6059

IDAHO SECRETARY OF STATE

10/31/2006 11:03:51:24

\$3.00

Filing Number:

B 2006-1014867-1

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Diligenz
6500 Harbour Heights Pkwy, Suite 400
Mukilteo, WA 98275

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME: - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME:

OR J AND M CATTLE, INC.

1b. LAST NAME:

FIRST NAME:

MIDDLE NAME:

SUFFIX:

1c. MAILING ADDRESS:

12971 BAILEY ROAD

CITY:

MELBA

STATE:

ID

POSTAL CODE:

83641

COUNTRY:

USA

1d. TAX ID #: SSN OR TIN

ADDL INFO RE:

1e. TYPE OF ORG:

Corporation

1f. JURISDICTION OF ORG:

ID

1g. ORGANIZATIONAL ID #: (if any)

c131838

3. SECURED PARTY'S NAME: (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME:

OR ZIONS FIRST NATIONAL BANK

3b. LAST NAME:

FIRST NAME:

MIDDLE NAME:

SUFFIX:

3c. MAILING ADDRESS:

2121 W KARCHER RD

CITY:

NAMPA

STATE:

ID

POSTAL CODE:

83651

COUNTRY:

USA

4. This FINANCING STATEMENT covers the following collateral:

All Fixtures; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds)

5. ALTERNATIVE DESIGNATION (if applicable):

☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s)

☐ (ADDITIONAL FEE) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA:

9835911/ID TR55845 [22328542]

*Electronically generated from original XML Document