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DEPARTMENT OF
WATER RESOURCES

DEV

STATE 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.

State Claims

Incomplete forms will be returned.

1. Water Right No(s): 79-4037, 79-4039, 79-4040, 79-4042, 79-4043, 79-4044, 79-4045, 79-7155, 79-10407,
79-10408, 79-10409, 79-10410, 79-10411, 79-10412, 79-10413, 79-14080, 79-14081

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

Harvest Capital Company

PO Box 579

Canby, OR 97013

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

Heckman Ranches, Inc.

5. Expiration Date of Notification Period January 1, 2040

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

7. Signature(s) of Security Interest holder(s)
(and title if applicable)

HARVEST CAPITAL COMPANY

By: Brian L. Field
Name: Brian L. Field
Its: President

For Office Use Only

Received by _____ Date _____ Fee \$425- of \$500- total
Received by SPR Date 11-16-2009 Receipt No. 689577
Processed by _____ AJ Date _____ WR _____ Date _____

SUPPORT DATA
IN FILE # 79-4037

WHEN RECORDED RETURN TO:

Mark A. Norby
Stoel Rives LLP
900 SW Fifth Ave., Suite 2600
Portland, OR 97204

113
White Bird - Joseph
CERTIFIED TO BE A TRUE AND EXACT COPY

Sam Shue
AMERITITLE

Ranches

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DEC 07 2009

Department of Water Resources

**LINE OF CREDIT INSTRUMENT,
MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,
AND FIXTURE FILING**

DATED: November 4, 2009

FROM: HECKMAN RANCHES, INC., an Idaho corporation,
HECKMAN CATTLE CO., an Idaho corporation,
DONOVAN L. HECKMAN and PAMELA S. HECKMAN, husband and wife,
DION E. HECKMAN and SUSAN D. HECKMAN, husband and wife, and
DEAN HECKMAN and BRENDA L. HECKMAN, husband and wife
PO Box 87
Whitebird, ID 83554

BORROWER

TO: HARVEST CAPITAL COMPANY
690 NW First Ave., Suite 101
Canby, Oregon 97013

LENDER

Borrower is the owner of the real property in Idaho County, Idaho described on the attached Exhibit A.

Lender has loaned or agreed to loan to Borrower the sum of \$2,187,500 on certain terms and conditions. Such amount will be repayable with interest according to the terms of two promissory notes given to evidence such indebtedness dated the same as this Mortgage, one in the amount of \$812,500, under which the final payment of principal and interest will be due January 1, 2040 ("Note A"), and one in the amount of \$1,375,000 on a revolving line of credit, under which the final payment of principal and interest will be due on January 1, 2040 ("Note B"). The Notes provide that the interest rate and payment terms may be adjusted as provided therein. The aggregate advances made under Note B secured hereby may exceed the face amount of Note B, but the unpaid principal balance shall not exceed such face amount. (This limitation of amount does not include interest and other fees and charges validly made pursuant to this Mortgage. Also, this limitation does not apply to advances made under the terms of this Mortgage to protect Lender's security and to perform any of the covenants contained in this

Mortgage.) Note A and Note B, and any note or notes given in renewal, modification, substitution or addition to the promissory note originally issued, are referred to as "the Note."

The term "Indebtedness" as used in this Mortgage shall mean (a) the principal and interest payable under the Note, including without limitation any and all future advances made by Lender thereunder, (b) any future amounts that Lender may in its discretion loan to Borrower, with interest thereon, and any and all additional indebtedness of the Lender to the Borrower, 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, even though the indebtedness of Borrower to Lender from time to time be reduced below the maximum amount above stated or be paid in full, (c) any amounts expended or advanced by Lender to discharge obligations of Borrower or expenses incurred by Lender to enforce obligations of Borrower, as permitted under this Mortgage, with interest thereon as provided below, and (d) any amounts with interest thereon at the rate specified in Section 12.4 below, payable by Borrower to Lender under the Environmental Indemnity Agreement executed by Borrower this same date (the "Environmental Agreement") to the extent Lender specifically elects by written notice to Borrower to include such amounts in the Indebtedness.

To secure payment of the Indebtedness and performance of all obligations of Borrower under this Mortgage, Borrower mortgages and conveys to Lender the following:

(1) The real property in Idaho County, Idaho described on attached Exhibit A (the "Real Property").

(2) All furnishings, fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on the Real Property or for the irrigation or drainage thereof, and all livestock handling equipment located on or used in connection with the Real Property, including, but not limited to, all fences, windmills, stock tanks and stock watering equipment, corrals, portable fence panels and scales (but excluding self-propelled motor driven vehicles and farm implements customarily towed or attached thereto), and all mobile and modular homes located on the Real Property, including without limitation the items described on attached Exhibit B, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such property, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such property (the "Personal Property").

(3) All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Borrower to use water for any purpose upon the Real Property, including but not limited to the water rights described on attached Exhibit C (the "Water Rights").

(4) All grazing leases, permits, allotments, licenses and privileges (the "Permits") covering state or federally owned lands used or operated in connection with

the Real Property, together with all renewals of such Permits and any such Permits acquired in the future, including, but not limited to, the Permits described on attached Exhibit D.

Borrower presently assigns to Lender all of Borrower's right, title and interest in and to all rents, revenues, income, issues and profits (the "**Income**") from the Real Property, Personal Property, Water Rights, and Permits, whether now or hereafter due.

Borrower grants Lender a security interest in the Income, the Water Rights, Permits, and the Personal Property, and all proceeds thereof.

The real and personal property described above is referred to as the "**Property**."

This Mortgage is given and accepted on the following terms and conditions which Borrower will promptly and faithfully observe and perform:

1. **PAYMENT AND PERFORMANCE**

Borrower shall pay to Lender promptly when due all amounts payment of which is secured by this Mortgage and shall strictly perform all obligations imposed upon Borrower by this Mortgage.

2. **POSSESSION AND MAINTENANCE OF THE PROPERTY**

2.1 Possession. Until in default, Borrower may remain in possession and control of and operate and manage the Property and collect the Income from the Property.

2.2 Duty to Maintain. Borrower shall maintain the Property in good condition and promptly perform all repairs and maintenance necessary to preserve its value. The Real Property shall be cultivated in accordance with good husbandry practices and all farming and ranching operations shall be conducted in such a manner as to prevent deterioration of the Property.

2.3 Nuisance, Waste. Borrower shall not conduct or permit any nuisance and shall not commit or suffer any strip or waste on the Property.

2.4 Removal of Improvements. Borrower shall not demolish or remove any improvements from the Property without the prior written consent of Lender. Lender shall consent if Borrower makes arrangements satisfactory to Lender to replace any improvement which Borrower proposes to remove with one of at least equal value. "**Improvements**" shall include all existing and future buildings, structures and other fixtures and improvements now or hereafter installed in or attached to the Real Property, including but not limited to fences, corrals, scales, mobile homes, silos, storage facilities and irrigation equipment.

2.5 Lender's Right to Enter. Lender and its agents and representatives may enter upon the Property at all reasonable times to attend to Lender's interest and to inspect the

Property and to inspect any and all financial and other records relating to Borrower's operations on the Property.

2.6 Compliance with Governmental Requirements. Borrower shall promptly comply with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the Property. Borrower may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Property is not jeopardized.

2.7 Duty to Protect. Borrower shall do all other acts, in addition to those set forth in this Mortgage, that from the character and use of the Property are reasonably necessary to protect and preserve the security.

2.8 Water Rights. All existing water rights benefitting the Property shall be maintained by Borrower and applied to beneficial use so as to maintain the validity and priority of such rights. Borrower shall not sell or surrender any of the water rights nor, without Lender's written consent, agree with any third party to any period of nonuse of the same.

2.9 Grazing Permits and Licensees. Borrower covenants and agrees to renew the Permits upon or prior to their expiration date, to execute any instrument deemed necessary by Lender to effect a collateral assignment or waiver of such renewals to the Lender, and to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of such Permits and all renewals thereof. Borrower shall take no action which would adversely affect any of such Permits or Borrower's preference status thereunder, and that in the event of foreclosure of this Mortgage, Borrower will waive all claims for preference under any such Permits upon demand from the purchaser at foreclosure sale of the Real Property, or any successor to such purchaser. Borrower further agrees that the lands covered by any lease, permit or privilege which Borrower, with the consent of Lender, shall substitute for the Permits, shall be subject to the provisions of this Mortgage. Upon foreclosure and sale of the Real Property, title to the improvements held by Borrower on any federal or state lands covered by the Permits, together with Borrower's right to be paid the reasonable value thereof, shall pass free of all encumbrances other than those of the United States to the purchaser at such sale, and the Lender is hereby authorized to execute, at its option, on behalf of the Borrower, a bill of sale for such improvements. If title in fee simple to any of the lands covered by the Permits (or to any other lands) shall hereafter be acquired by the Borrower, it is understood and agreed that such lands shall, upon such acquisition, become subject to the lien of this Mortgage to the same extent as though lands had originally been included herein as part of the Real Property, and further, that all of the terms, covenants, conditions and stipulations of this Mortgage, applicable to the Real Property, shall extend and be applicable to any lands hereafter so acquired. Borrower shall execute any documents reasonably requested by Lender to perfect or document the pledge of the Permits to Lender.

2.10 Timber. For so long as Borrower is not in default, Borrower may cut and remove standing timber located on the Real Property. All harvest activities shall be conducted in accordance with, and harvest areas replanted, as required by applicable state and federal law.

Following the occurrence of an event of default and for the duration of such default, Borrower shall not cut or remove timber from the Real Property.

3. TAXES AND LIENS

3.1 Payment. Borrower shall pay when due all taxes and assessments levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Borrower shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in Section 3.2.

3.2 Right to Contest. Borrower may withhold payment of any tax, assessment or claim in connection with a good faith dispute over obligation to pay, so long as Lender's interest in the Property is not jeopardized. If the Property is subjected to a lien which is not discharged within 15 days, Borrower shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale under the lien. In any contest proceedings, Borrower will defend itself and Lender and will name Lender as an additional obligee under any surety bond, and Borrower shall satisfy any final adverse judgment before enforcement against the Property.

3.3 Evidence of Payment. Borrower shall promptly furnish evidence of payment of taxes and assessments to Lender on its demand and shall authorize the appropriate county official to deliver to Lender at any time a written statement of the taxes and assessments against the Property, and shall pay the expense of a tax reporting service for the Property if required by Lender.

3.4 Notice of Construction. Borrower shall notify Lender at least 15 days before any work is commenced, any services are furnished or any materials are supplied to the Property if a construction lien could be asserted on account of the work, services or materials and the cost exceeds \$10,000. On Lender's request, Borrower will promptly furnish advance assurances satisfactory to Lender that Borrower can and will pay the cost of such improvements.

3.5 Farm or Forest Classification. Borrower agrees to maintain the farm use or forest lands classification of the Property on the tax rolls, and not to allow any act or omission which would disqualify the Property for assessment as farm or forest lands.

4. PROPERTY DAMAGE INSURANCE

4.1 Maintenance of Insurance. Borrower shall procure and maintain such policies of insurance as Lender may reasonably require. This shall include policies of fire insurance with standard extended coverage endorsements covering all improvements on the Property for their full insurable value, in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Lender, and comprehensive general liability insurance in such coverage amounts as Lender may request, with Lender as an additional insured. Policies shall be written in amounts, in form, on terms and with companies reasonably

-acceptable to Lender. Borrower shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Lender. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Borrower agrees to obtain and maintain Federal Flood Insurance for the unpaid balance of the Note, up to the maximum policy limits set under the National Flood Insurance Program.

4.2 Application of Proceeds. Borrower shall promptly notify Lender of any loss or damage to the Property which exceeds \$2,500, Lender may make proof of loss if Borrower fails to do so within 15 days of the casualty. All proceeds of any insurance on the Property shall be held by Lender as part of the Property. If Borrower elects to restore the Property, Borrower shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Upon satisfactory proof of expenditure, Lender shall pay or reimburse Borrower from the proceeds for the reasonable cost of repair or restoration. If Borrower elects not to restore the Property, Lender shall retain a sufficient amount of the proceeds to pay all amounts due under this Mortgage, and shall pay the balance to Borrower. Any proceeds which have not been paid out within one (1) year after their receipt and which Borrower has not committed to the repair or restoration of the Property shall be used to prepay first accrued interest and then principal of Borrower's Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Borrower.

4.3 Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any foreclosure sale of the Property.

4.4 Borrower's Report on Insurance. Upon request by Lender, not more than once a year, Borrower shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured, the then current replacement value of such property, and the manner of determining value; and (e) the expiration date of the policy.

5. WARRANTIES OF BORROWER

5.1 Title. Borrower warrants that it holds merchantable title to the Property in fee simple free of all encumbrances other than those set forth in the title insurance policy issued to Lender at closing.

5.2 Defense of Title. Subject to the exceptions in the paragraph above, Borrower warrants and will forever defend the title against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Borrower's title or the interest of Lender under this Mortgage, Borrower shall defend the action at its expense.

6. CONDEMNATION

6.1 Application of Net Proceeds. If all or any part of the Property is condemned, and the value of the portion so condemned exceeds \$2,500, Lender may elect to require that all or any portion of the net proceeds of the condemnation be applied on the Indebtedness. The "**net proceeds**" shall mean the total amount available after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Borrower and Lender in connection with the taking by condemnation. Sale of all or any part of the Property to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation to which this section shall apply.

6.2 Proceedings. If any proceedings in condemnation are filed, Borrower shall promptly take such steps as may be necessary to defend the action and obtain the award. Borrower shall be entitled, at its option, to commence, appear in and prosecute in its own name, any action or proceeding, or to make any compromise or settlement, in connection with such taking or damage, and to obtain all compensation, awards or other relief therefore to which Borrower may be entitled.

7. TRANSFER BY BORROWER

7.1 Prohibition of Transfer Without Consent. Borrower shall not sell, agree to sell, assign, convey, subcontract or otherwise transfer any part or all of the Property or any interest in the Property without the prior written consent of Lender, which consent may be withheld in Lender's sole discretion. If Borrower or a prospective transferee applies to Lender for consent to a transfer, Lender may require such information as may be reasonably necessary for Lender to assess the prospective transferee's prior business experience, reputation and financial ability to perform Borrower's obligation under this Mortgage. Without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Lender's prior written consent, shall be deemed a transfer of title to the Property:

(a) Any sale, conveyance, lease with a term greater than 3 years (including renewal options), assignment or other transfer of all or any part of the legal or equitable title to the Property;

(b) Any conveyance, grant or other transfer of the legal or equitable title to the Property which occurs by operation of law, by trustees in bankruptcy, executors or estate administrators or executors, or by or through a bankruptcy court.

(c) If Borrower is a corporation, partnership or limited liability company, a sale, transfer or assignment of the corporate stock, partnership interests or membership interests, respectively, which results in more than twenty-five percent (25%) of the corporate stock, partnership interests or membership interests being held by persons or entities which are not, on the date hereof, shareholders, partners or members.

7.2 Condition to Consent. As a condition of its consent to any transfer, Lender may in its discretion impose a service charge not exceeding 1 percent of the outstanding Indebtedness, and may increase the interest rate of the Indebtedness or otherwise require

modification of the Note or this Mortgage. Lender may increase the amount of each remaining installment so that the Indebtedness will be fully paid by the original maturity date. In no event, however, shall the interest rate be increased beyond the maximum rate permitted under applicable law.

7.3 Effect of Consent. Consent by Lender to one transfer shall not constitute a consent to other transfers or a waiver of this section. No transfer by Borrower shall relieve Borrower of liability for payment of the Indebtedness. Following a transfer, Lender may agree to any extension of time for payment or modification of the terms of this Mortgage or the Note or waive any right or remedy under this Mortgage or the Note without relieving Borrower from liability. Borrower waives notice, presentment and protest with respect to the Indebtedness.

8. SECURITY AGREEMENT; SECURITY INTEREST

8.1 Security Agreement. This instrument shall constitute a security agreement with respect to the Income, Water Rights, Permits, and the Personal Property included in the description of the Property.

8.2 Security Interest. Upon request by Lender, Borrower shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Income, the Water Rights, Permits, and the Personal Property. Borrower hereby appoints Lender as Borrower's attorney in fact for the purpose of executing any documents necessary to perfect or continue the security interest granted therein and authorizes Lender to file such financing statements as Lender deems appropriate to protect its security interest in the Income, Water Rights, Permits, and the Personal Property included in the description of the Property. Lender may file copies or reproductions of this Mortgage as a financing statement at any time and without further authorization from Borrower. Borrower will reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Borrower shall assemble the personal property and make it available to Lender within three days after receipt of written demand from Lender.

8.3 Fixture Filing. This instrument constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to any and all fixtures included within the term Property as used herein and with respect to any goods or other personal property that may now be or hereafter become fixtures.

Name and address of Lender (Secured Party) from whom information may be obtained:

Harvest Capital Company
690 NW First Ave., Suite 101
Canby, Oregon 97013

Address of Borrower (Debtors):

PO Box 87

Whitebird, ID 83554

Tax Identification Number, State of Organization and Organization Number of Borrower (Debtors):

Debtor	Type of Entity	State of Organization	Organization Number
Heckman Ranches, Inc.	corporation	Idaho	C37235
Heckman Cattle Co.	corporation	Idaho	C37234

9. RELEASE ON FULL PERFORMANCE

If Borrower pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Borrower under this Mortgage, Lender shall, if requested, execute and deliver to Borrower a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file.

10. DEFAULT

The following shall constitute events of default:

- (a) Failure of Borrower to pay any portion of the Indebtedness when it is due.
- (b) Failure of Borrower within the time required by this Mortgage to make any payment for taxes, insurance, or any other payment necessary to prevent filing or attachment of any lien (or within such time discharge or bond such lien in the manner permitted in Section 3.2 above).
- (c) Transfer or agreement to transfer any part or interest in the Property without the prior written consent of Lender, as required under Section 7 above.
- (d) Dissolution, termination of existence, insolvency on a balance sheet basis or business failure of Borrower; the commencement by Borrower of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Borrower in an involuntary case under federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Borrower to the appointment of a receiver, trustee or custodian of Borrower or of any of Borrower's property; an assignment for the benefit of creditors by Borrower; the making or suffering by Borrower of a fraudulent transfer under applicable federal or state law; concealment by Borrower of any of its property in fraud of creditors; the making or suffering by Borrower of a preference within the meaning of the federal bankruptcy law; the imposition of a lien through legal proceedings or distraint upon any of the property of Borrower which is not discharged or bonded in the manner permitted by Section 3.2 above; or Borrower's failure generally to pay its debts as such debts become due. The events of default in this paragraph shall apply and refer to Borrower and to each of the individuals or entities which are collectively referred to as "Borrower."

(e) Any breach of any representation or warranty in the Environmental Agreement.

(f) Failure of Borrower to perform any other obligation under this Mortgage or the Environmental Agreement within 15 days after receipt of written notice from Lender specifying the nature of the default or, if the default cannot be cured within 15 days, failure within such time to initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practicable. No notice of default and no opportunity to cure shall be required if during the prior 12 months Lender has already sent a notice to Borrower concerning default in performance of the same obligation.

(g) Lender determines in good faith that the prospect of payment of the Indebtedness or the prospect of performance of any agreement or obligation securing the same or relating thereto is significantly impaired.

(h) A default occurs under that certain promissory note of even date hereof in the original principal amount of \$812,500 made by Borrower to Lender and secured by a mortgage on that certain real property in Idaho County, Idaho commonly known as the Doumecq Ranch (such note referred to herein as the "**Other Note**"), or under any documents securing or executed in connection with the Other Note (the "**Other Loan Documents**"), which is not cured within any applicable grace period in the Other Loan Documents.

11. RIGHTS AND REMEDIES ON DEFAULT

11.1 Remedies. Upon the occurrence of any event of default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies:

(a) Lender may declare the entire Indebtedness immediately due and payable.

(b) Lender may obtain a decree foreclosing Borrower's interest in all or any part of the Property. If permitted by applicable law, Lender may foreclose Borrower's interest in all or any part of the Property by nonjudicial sale.

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

(d) With respect to all or any part of the Property that constitutes personalty, may exercise the rights and remedies of a secured party under the Uniform Commercial Code.

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

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

(g) In the event Borrower remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower, Borrower shall become a tenant at will of Lender or the purchaser of the Property and shall pay a reasonable rental for use of the Property while in Borrower's possession.

(h) Lender shall have any other right or remedy provided in this Mortgage, the Note or any other instrument delivered by Borrower in connection therewith, or available at law, in equity or otherwise.

11.2 Rights of Receiver or Lender-in-Possession. Upon taking possession of all or any part of the Property, the receiver or Lender may:

(a) Use, operate, manage, control and conduct business on the Property and make expenditures for all maintenance and improvements as in its judgment are proper;

(b) Collect the Income from the Property and apply such sums to the expenses of use, operation and management;

(c) At Lender's option, complete any construction in progress on the Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Lender deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Lender (if Lender, in its sole discretion, agrees to lend) or otherwise, or Lender

may borrow or advance, such sums as the receiver or Lender may deem necessary for the purposes stated in this paragraph. The amounts borrowed or advanced shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Section 12.4 below. Such sums shall become a part of the Indebtedness secured by this Mortgage and shall be payable by Borrower on demand.

11.3 Sale of the Property. In exercising its rights and remedies, Lender may cause all or any part of the Property to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Lender may bid at any public sale on all or any portion of the Property.

11.4 Notice of Sale. Lender shall give Borrower reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other disposition of the personal property is to be made. Reasonable notice shall mean notice given at least 10 days prior to the time of the sale or disposition.

11.5 Waiver; Election of Remedies. A waiver by either party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and all remedies of Lender under this Mortgage are cumulative and not exclusive. An election to make expenditures or to take action to perform an obligation of Borrower shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

11.6 Attorneys' Fees; Expenses. In the event suit or action is instituted to enforce any of the terms of this Mortgage, the prevailing party shall be entitled to recover its reasonable attorneys' fees at trial, on any appeal and on any petition for review, in addition to all other sums provided by law. Whether or not any court action is involved, all reasonable expenses incurred by Lender that are necessary at any time in Lender's opinion for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Section 12.4 below. Expenses covered by this paragraph include (without limitation) the cost of searching records and obtaining title reports, surveyors' reports, attorneys' opinions and title insurance.

12. MISCELLANEOUS

12.1 Time of Essence. Time is of the essence of this Mortgage.

12.2 Binding upon Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Borrower's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns.

12.3 Security Agreement. In construing this Mortgage, the term "Mortgage" shall encompass the term "security agreement" when the instrument is being construed with respect to any personal property.

12.4 Expenditure by Lender. If Borrower fails to comply with any provision of this Mortgage, Lender may elect to take the required action on Borrower's behalf, and any amount that Lender expends in so doing shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest from the date of expenditure at the Default Rate (as specified in the Note). Such action by Lender shall not constitute a cure or waiver of the default or any other right or remedy which Lender may have on account of Borrower's default.

12.5 Notices. Any notice under this Mortgage shall be in writing and shall be effective when either delivered in person or, if mailed, shall be deemed effective when deposited as registered or certified mail, postage prepaid, addressed to the party at the address stated in this Mortgage. Any party may change its address for notices by written notice to the other.

12.6 Modification or Extension of Indebtedness; Release of Obligors. The taking by Borrower of any additional security, the release of any person now or hereafter liable for the repayment of the Indebtedness, or any extension of the time of payment of the Indebtedness or the renewal thereof, shall not diminish the effectiveness of this Mortgage or the lien of this Mortgage and shall not affect or impair the liability of any maker, surety or endorser for the payment of the Indebtedness.

12.7 Release of Security. Lender shall have the right to release, with or without consideration or credit on the Indebtedness secured, any part of the Property. Without regard to the existence of any junior encumbrance and without the consent of such junior encumbrance, and such release shall have no further effect upon the rank, lien or estate conveyed of this Mortgage.

12.8 Waiver of Marshalling. Borrower expressly waives, to the full extent permitted by law, and relinquishes any right to claim a marshalling of assets in respect to the Property, or any part thereof, in the event of the foreclosure or other enforcement of this Mortgage.

12.9 Invalid Provisions to Affect No Others. If any of the provisions contained in the Note or this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions in this Mortgage and the Note shall not be affected thereby.

12.10 Changes in Writing. This Mortgage and any of its terms may only be changed, waived, discharged or terminated by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement subsequently made by Borrower or Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

12.11 Exhibits. The following exhibits are attached to this Mortgage and incorporated herein by reference:

Exhibit A – Real Property Legal Description
Exhibit B – Certain Equipment
Exhibit C – Water Rights
Exhibit D – Permits

12.12 Applicable Law. The law of the State of Idaho, including applicable federal law, shall be applicable for the purpose of construing and determining the validity of this Mortgage and, to the fullest extent permitted by the law of any state in which any of the Property is located, determining the rights and remedies of Lender on default.

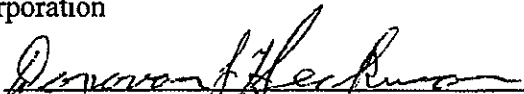
12.13 Jurisdiction. In the event of a lawsuit relating to, or to enforce, this Mortgage, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Idaho County, State of Idaho.

12.14 Loan Purpose. The Borrower acknowledges that the proceeds of the Note are primarily for agricultural, commercial, investment or business purposes, and are not for a consumer transaction (which is defined as a transaction primarily for personal, family or household purposes).

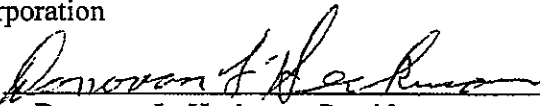
12.15 Dissemination of Information. If the Lender determines at any time to sell, transfer or assign the Note, this Mortgage and any other security instruments, and any or all servicing rights with respect thereto, or to grant participations therein ("**Participations**") or issue, in a public offering or private placement, mortgage pass-through certificates or other securities evidencing a beneficial interest in the loan ("**Securities**"), Lender may forward to each purchaser, transferee, assignee, servicer, participant, investor, or their respective successors in such Participations and/or Securities (collectively, the "**Investor**"), any rating agency rating such Securities and each prospective Investor, all documents and information which Lender now has or may hereafter acquire relating to the Indebtedness and to the Borrower, any Guarantor, any Indemnitors and the Property, which shall have been furnished by Borrower, any Guarantor or any Indemnitors, as Lender determines necessary or desirable.

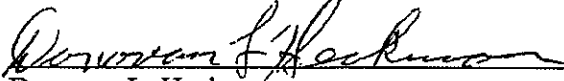
BORROWER:

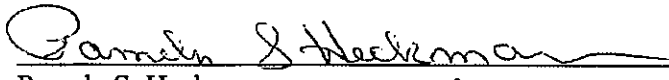
HECKMAN RANCHES, INC.
an Idaho corporation

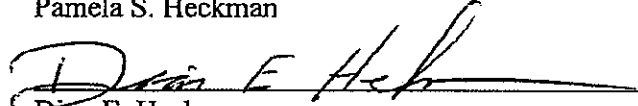
By: 
Donovan L. Heckman, President

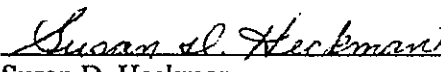
HECKMAN CATTLE CO.
an Idaho corporation

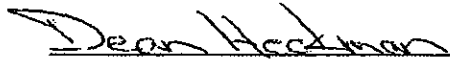
By: 
Donovan L. Heckman, President

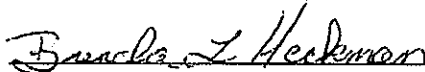

Donovan L. Heckman


Pamela S. Heckman


Dion E. Heckman


Susan D. Heckman


Dean Heckman


Brenda L. Heckman

ACKNOWLEDGMENTS

STATE OF IDAHO)
)ss.
COUNTY OF Valley)

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared **Donovan L. Heckman**, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Karen J. Thumel (official signature and seal)

Notary Public for: Cascade, ID

My commission expires on: 7-10-15

* * * * *

STATE OF IDAHO)
)ss.
COUNTY OF Valley)

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared **Pamela S. Heckman**, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Karen J. Thumel (official signature and seal)

Notary Public for: Cascade, ID

My commission expires on: 7-10-15

STATE OF IDAHO)
)ss.
COUNTY OF Valley)

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared **Dion E. Heckman**, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Kam J. Shuster (official signature and seal)

Notary Public for: Cascade, Id

My commission expires on: 7-10-15

* * * * *

STATE OF IDAHO)
)ss.
COUNTY OF Valley)

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared **Susan D. Heckman**, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Kam J. Shuster (official signature and seal)

Notary Public for: Cascade, Id

My commission expires on: 7-10-15

STATE OF IDAHO

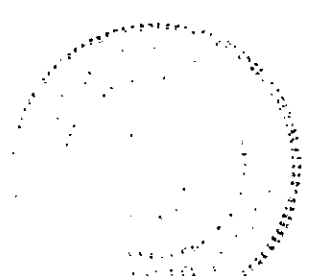
)

)ss.

COUNTY OF Valley

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared **Dean Heckman**, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

 Kam Schussler (official signature and seal)

Notary Public for: Cascade, ID

My commission expires on: 7-10-15

* * * * *

STATE OF IDAHO

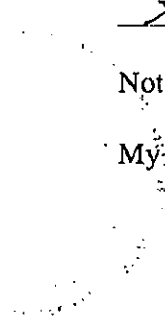
)

)ss.

COUNTY OF Valley

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared **Brenda L. Heckman**, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

 Kam Schussler (official signature and seal)

Notary Public for: Cascade, ID

My commission expires on: 7-10-15

STATE OF IDAHO)
)ss.
COUNTY OF Valley)

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Donovan L. Heckman, known to me to be the President of **Heckman Ranches, Inc.**, an Idaho corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Kam J. Shumaker (official signature and seal)
Notary Public for: Cascade, ID
My commission expires on: 7-10-15

* * * * *

STATE OF IDAHO)
)ss.
COUNTY OF Valley)

On this 6 day of November, in the year of 2009, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Donovan L. Heckman, known to me to be the President of **Heckman Cattle Co.**, an Idaho corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Kam J. Shumaker (official signature and seal)
Notary Public for: Cascade, ID
My commission expires on: 7-10-15

**EXHIBIT A
TO
MORTGAGE**

Real Property Legal Description

Parcel I:

TOWNSHIP 28 NORTH, RANGE 2 WEST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 1: Government Lots 1, 2 and 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 28 NORTH, RANGE 1 WEST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 3: Government Lot 4

Section 4: Government Lot 1

Government Lot 3 LESS Joseph Cemetery

Section 5: Government Lots 1, 2, 3 and 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$,
NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 6: Government Lots 1, 2, 3, 4, 5 and 6, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

TOWNSHIP 28 NORTH, RANGE 1 EAST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 12: NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

AND:

That portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 12 lying South and West of a line drawn from the Northeast corner thereof, on a course of S 61°51' W, 1497.4 feet, to a point on the West line of said subdivision, which point is 610 feet North of the Southwest corner of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 12.

Sometimes known as Assessor's Tax No. 14.

AND:

That part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 12, lying South of the middle of the channel of White Bird Creek, which channel is designated as follows:

Beginning at a point on the subdivision line 795 feet North of the Southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 12;
thence N 72°20' E, 1214.3 feet;
thence N 56° E, 458 feet;
thence N 73° E, 360 feet;
thence N 49°15' E, 455 feet;

thence N 70°45' E, 445 feet to the East line of the SW¼NE¼ of said Section 12 .

AND:

That portion of the SW¼SW¼ of said Section 12 lying East of the public road known as the Free Use Road as the same is now located upon said SW¼SW¼.

AND:

That portion of the SW¼SW¼ of said Section 12 lying West of the Free Use Road

LESS:

A parcel of land located in the SW¼SW¼ of said Section 12, more particularly described as follows:

Commencing at the Northwest corner of the SW¼SW¼ and running East 672 feet on the North line of the SW¼SW¼ to the West bank of White Bird Creek;
thence in a southwesterly direction along the West bank of White Bird Creek to the West line of the SW¼SW¼;
thence North along said West line 382 feet to the Place of Beginning.
Sometimes known as Assessor's Tax No. 5.

ALSO LESS:

A parcel of land located in the SW¼SW¼ of said Section 12, more particularly described as follows:

Beginning at a point on the section line common to Sections 12 and 13, said Township and Range, from which point the section corner common to said Sections 11, 12, 13 and 14, said Township and Range, bears West, 865 feet, and running thence East, along said line, 70 feet;
thence N 40°47' E, 216 feet to the westerly line of the Free Use Road;
thence North 30 feet;
thence S 47°29' W, 286.5 feet to the Point of Beginning.
Sometimes known as Assessor's Tax No. 20.

This description is intended to describe a strip of land of irregular width lying along the northwesterly side of that certain tract of land described in and recorded as Instrument No. 183540, Book 88 page 487, Deed of Records, Idaho County, Idaho.

ALSO LESS:

A parcel of land located in the SW¼SW¼ of said Section 12 and the NW¼NW¼ of Section 13 of said Township and Range, more particularly described as follows:

Commencing at the Southwest section corner of said Section 12, a brass cap monument in place;

thence S 89°36'49" E, 525.57 feet to a monument and the True Point of Beginning;
thence N 22°44'17" E, 138.39 feet to a monument;
thence N 38°15'48" E, 377.86 feet to a monument;
thence S 44°16'31" E, 201.50 feet to a monument;
thence N 64°56'27" E, 143.24 feet to a monument;
thence N 79°47'34" E, 85.16 feet to a monument;
thence S 28°10'23" W, 144.73 feet to a monument;
thence S 46°59'04" W, 336.92 feet to a monument;
thence N 89°42'59" W, 327.06 feet to the True Point of Beginning.
Sometimes known as Assessor's Tax No. 137.

AND:

A portion of the NW¼SW¼ of said Section 12, more particularly described as follows:

Beginning at a point 1072.5 feet North and 25 feet West of the Southeast corner of the NW¼SW¼;
thence westerly 398.5 feet;
thence N 24°32' W, 27 feet to the South boundary of U.S. Highway No. 95;
thence N 60°45' E, 470 feet along said South boundary;
thence South 247.5 feet along the West boundary of a county road to the Point of Beginning.
Sometimes known as Assessor's Tax No. 7.

AND:

A portion of the NW¼SW¼ of said Section 12, more particularly described as follows:

Beginning at a point 1072.5 feet North of the Southeast corner of the NW¼SW¼;
thence West 363 feet;
thence North 50 feet to the South boundary of U.S. Highway No. 95;
thence S 60°45' W, 82.5 feet on said South boundary;
thence S 24°32' E, 150 feet;
thence S 39°37' E, 360 feet to the left bank of White Bird Creek;
thence N 51°22' E, 210 feet up White Bird Creek;
thence 277.5 feet North to the Point of Beginning.
Sometimes known as Assessor's Tax No. 11.

AND:

A parcel of land located in the NW¼SW¼ of said Section 12, more particularly described as follows:

Beginning at the center of the SW¼ of said Section 12;
thence North along the subdivision line 550 feet;
thence N 81° W, 253 feet, more or less, to a point in White Bird Creek;

thence following down the channel of White Bird Creek S 51°22' W, 76.5 feet;
thence S 06°26' W, 148.3 feet;
thence S 41°25' W, 298 feet;
thence S 37°04' W, 214 feet to a point on the South subdivision line of the NW¼SW¼ of said Section 12;
thence S 89°30' E along the subdivision line, 652.4 feet to the Place of Beginning.
Sometimes known as Assessor's Tax No. 76 (also known as Assessor's Tax No. 64 inside).

Section 13: All

LESS:

A parcel of land located in the NW¼NW¼ of said Section 13, more particularly described as follows:

Beginning at the section corner common to Sections 11, 12, 13 and 14, said Township and Range, and running thence South, along the section line, 939 feet;
thence East 115 feet;
thence N 40°47' E, 1246.7 feet to a point on the section line common to Sections 12 and 13;
thence West along said line, 935 feet to the Point of Beginning.
Sometimes known as Assessor's Tax No. 19.

Section 14: SE¼NE¼, SE¼

AND:

A parcel of land located in the SW¼NE¼ of said Section 14, more particularly described as follows:

Commencing at the Southwest corner of said SW¼NE¼;
thence North 578 feet to the base of a bluff east of White Bird Creek;
thence N 37°48' E, 190.5 feet;
thence N 48°15' E, 251 feet;
thence N 64°25' E, 176 feet;
thence N 43°38' E, 480 feet to the East and West subdivision line;
thence East along subdivision line 531 feet to the Northeast corner of the SW¼NE¼;
thence South 1320 feet to the Southeast corner of the SW ¼NE¼;
thence West 1320 feet to point of beginning;
Sometimes known as part of Assessor's Tax No. 25.

AND

A parcel of land located in the SE¼NW¼ of said Section 14, more particularly described as follows:

Commencing at the Southeast corner of the said SE $\frac{1}{4}$ NW $\frac{1}{4}$;
thence North 578 feet to the base of a bluff east of White Bird Creek;
thence southwesterly approximately 350 feet to the East line of a flume or ditch as described in Book 26 Deeds page 626;
thence S 24° W, 60 feet, more or less, along the flume;
thence S 32° W, 300 feet, more or less, along the flume;
thence South 35 feet, more or less, along the flume;
thence S 10° W, 50 feet, more or less, along the flume;
thence S 18° E 52 feet, more or less, along the flume to the East and West centerline of said Section 14;
thence East 495 feet to place of beginning.
Sometimes known as part of Assessor's Tax No. 25.

LESS:

A parcel of land located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 14, more particularly described as follows:

Commencing at the Northeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$;
thence S 00°09'56" W, along the easterly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 603.92 feet to the True Point of Beginning;
thence S 00°09'56" W, along said easterly boundary of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, 362.60 feet to an original 5/8" diameter rebar found along a fence, from which point the Southeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ bears S 00°09'56" W, 355.98 feet;
thence N 61°16'14" W, a distance of 247.00 feet to the East bank of the new channel of White Bird Creek;
thence N 38°47'46" E, along the East bank of the new channel of White Bird Creek, a distance of 324.02 feet;
thence S 59°22'15" E, 17.00 feet to the True Point of Beginning;
Sometimes known as Assessor's Tax No. 51.

ALSO LESS:

A parcel of land located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 14, more particularly described as follows:

Commencing at the Northeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$;
thence S 00°09'56" W, 965.82 feet to a 5/8" diameter rebar found along a fence, the True Point of Beginning;
thence S 00°09'56" W along the easterly boundary of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 246.19 feet to a 5/8" diameter rebar found at a fence corner, from which point the Southeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ bears S 00°09'56" W, 109.80 feet;
thence N 59°08'40" W, 649.36 feet;
thence N 29°49'55" E, 192.17 feet to a 1/2" diameter rebar found along a fence;
thence S 61°16'14" E, 527.50 feet to the True Point of Beginning.

Sometimes known as Assessor's Tax No. 57.

AND:

A parcel of land located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14, more particularly described as follows:

Beginning at the center of said Section 14;
thence South 80 rods;
thence northwesterly to a point in the center of White Bird Creek opposite the Northeast corner of Block One of Everest's Addition to the Town of White Bird;
thence northeasterly in the center of White Bird Creek to the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14;
thence East along said line to the Place of Beginning.

SE $\frac{1}{4}$ SW $\frac{1}{4}$ LESS U.S. Highway No 95, Project No. S-4723(1) as described in Second Judgment and Decree of Condemnation, recorded January 18, 1974, under Instrument No. 252609, records of Idaho County, Idaho.

ALSO LESS:

The following described land lying in the Northwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14:

Beginning at the Northwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14, and running East along the East and West subdivision line 666.38 feet to a point;
thence South 176.35 feet to a point;
thence in a southwesterly direction to the North and South subdivision line between the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14 at a point 575 feet due South from the Northwest corner of the said SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14;
thence North along said North and South subdivision line to the Place of Beginning.

AND:

A parcel of land located in the S $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 14, more particularly described as follows:

Beginning at a point 666.38 feet East of the Northwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14;
thence South 176.35 feet to a corner;
thence southwesterly to the intersection of West line of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14, at a point 575 feet South from the Northwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14;
thence South 225 feet to a corner;
thence at right angles due West to the intersection of East bank of White Bird Creek;
thence northeasterly following up the East bank of said creek to the South line of a piece of the land deeded by S.S. Fenn to Sida Gordon, recorded in Book 17, page 569 of Deeds of Idaho County, (Sometimes referred to as Assessor's Tax No. 26);

thence southeasterly to Southeast corner of said Sida Gordon land;
thence northeasterly to the Northeast corner of Lot 3, Block F in Fenn's Addition;
thence northeasterly to a point 181 feet East and 287 feet South of the Northwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14;
thence northeasterly to the intersection of the North line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 14, at a point 298 feet East of Northwest corner of the SE $\frac{1}{4}$ SW $\frac{1}{4}$;
thence East along said the North line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ to the Beginning.
Sometimes known as Assessor's Tax No. 59 (also known as Assessor's Tax No. 1 inside).

It is intended to convey all of those parts and portions of Idaho County Assessor's Tax No. 1 lying and being East of the East bank meander line of White Bird Creek LESS U.S. Highway No. 95, Project Nos. F-4113(38), F-4113 (44) and S-4723 (1) as described in Warranty Deed, recorded April 9, 1971, under Instrument No. 240786, records of Idaho County, Idaho.

Section 22: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ LESS U.S. Highway No. 95, Project No. F-4113(38) as described in Second Judgment and Decree of Condemnation recorded January 18, 1974, under Instrument No. 252608, records of Idaho County, Idaho.

ALSO LESS:

A parcel of land located in the E $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 22, more particularly described as follows:

Beginning at the center of the SE $\frac{1}{4}$ of said Section 22;
thence N 00°28' E on the subdivision line 454.5 feet;
thence S 87°38' E, 236.6 feet;
thence S 02°22' W, 513.5 feet;
thence N 87°38' W, 201 feet;
thence N 00°28' E, 58.8 feet to the Point of Beginning.
Sometimes known as White Bird Cemetery.

ALSO LESS:

A parcel of land located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 22, more particularly described as follows:

Beginning at a stone marked 1/16 CS which is the center of the SE $\frac{1}{4}$ of said Section 22, which point is Corner No. 1 of the White Bird Cemetery as shown on the recorded plat thereof;
thence N 89°32' W, 33.7 feet to Corner No. 2 of said cemetery;
thence N 02°22' E, 455.5 feet to Corner No. 3 of said cemetery, which point is the True Point of Beginning;
thence S 87°38' E along the North line of said cemetery, 236.6 feet;
thence N 02°22' E, 102.3 feet;
thence N 87°38' W, 236.6 feet;
thence S 02°22' W, 102.3 feet to the True Point of Beginning.

Sometimes known as White Bird Cemetery Addition No. 2.

ALSO LESS:

A parcel of land located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 22, more particularly described as follows:

Commencing at the East $\frac{1}{4}$ corner of said Section 22, a brass capped monument in place;
thence N 00°21'06" E, 1317.203 feet along the East line of said Section 22 to the North $\frac{1}{16}$ corner;
thence along the North line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 22, S 89°55'17" W, 384.45 feet to a monument on the westerly right of way line of U.S. Highway 95 (Fed. Aid Project F-4113 (38)) and the True Point of Beginning;
thence continuing along the northerly line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 22, S 89°55'17" W, 943.28 feet to a monument being the C-N $\frac{1}{16}$ corner of said Section 22;
thence leaving the northerly line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$, S 79°46'54" E, 105.99 feet to a monument;
thence S 83°57'30" E, 282.18 feet to a monument;
thence N 83°36'26" E, 163.83 feet to a monument;
thence N 86°18'39" E, 84.05 feet to a monument;
thence S 62°42'00" E, 137.24 feet to a monument;
thence N 69°55'06" E, 116.39 feet to a monument;
thence N 77°11'46" E, 87.21 feet to a monument;
thence N 08°50'02" W, 30.16 feet to a monument, the True Point of Beginning.

Section 23: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
NW $\frac{1}{4}$ SW $\frac{1}{4}$ LESS U.S. Highway No. 95, Project No. F-4113(38) as described in
Second Judgment and Decree of Condemnation recorded January 18, 1974, under Instrument
No. 252608, records of Idaho County, Idaho.

Section 24: All

Section 25: All

Section 26: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$

SW $\frac{1}{4}$ NW $\frac{1}{4}$ LESS U.S. Highway No. 95, Project No. F-4113(38) as described in
Second Judgment and Decree of Condemnation recorded January 18, 1974, under Instrument
No. 252608, records of Idaho County, Idaho.

Section 34: Government Lot 3 LESS U.S. Highway No. 95, Project No. F-4113 (51) as
described in Corporation Warranty Deed, recorded January 13, 1975, under Instrument No.
256992, records of Idaho County, Idaho.

ALSO LESS:

A parcel of land being a portion of Government Lot 3, more particularly described as follows:

Beginning at a point on the Southeast boundary of U.S. Highway No. 95, as presently (5/7/1962) located in Government Lot 3, said Section 34, which point is at or opposite Station 1254 + 20; thence at a right angle to said Highway as presently (5/7/1962) located S 25°58' E approximately 222 feet; thence S 42°16' W approximately 150 feet; thence S 80°12' W approximately 230 feet to a line extended southeasterly from Station 1250 + 60 at a right angle from the Southeast boundary of said U.S. Highway No. 95 as presently (5/7/1962) located; thence northwesterly along said line (as extended from Station 1250 + 60) to the Southeast boundary of said Highway as presently (5/7/1962) located; thence northeasterly along the Southeast boundary of said Highway as presently (5/7/1962) located approximately 360 feet to the Place of Beginning. Sometimes known as Assessor's Tax No. 80.

Section 35: N½NE¼, N½S½NE¼

E½NW¼, Government Lots 2 and 3, LESS U.S. Highway No. 95, Project No. F-4113(51) as described in Corporation Warranty Deed, recorded January 13, 1975, under Instrument No. 256992.

ALSO LESS:

A parcel of land located in the NW¼ of said Section 35, more particularly described as follows:

Commencing at the West 1/4 corner of said Section 35, a brass cap monument in place; thence N 17°47'24" E, 1124.64 feet to a monument on the southeasterly right of way line of U.S. Highway No. 95 and the True Point of Beginning; thence S 60°07'47" E, 198.77 feet to a monument; thence S 30°43'11" E, 47.58 feet to a monument; thence N 59°57'08" E, 65.91 feet to a monument; thence N 34°46'13" W, 42.05 feet to a monument; thence N 62°50'50" E, 197.28 feet to a monument; thence N 27°09'32" W, 126.30 feet to a monument; thence N 36°26'07" E, 98.66 feet to a monument; thence N 17°27'48" W, 18.19 feet to a monument on the southeasterly right of way line of U.S. Highway No. 95; thence along the southeasterly right of way line of U.S. Highway No. 95 S 53°39'05" W, 141.10 feet to a steel post fence corner; thence S 63°29'59" W, 320.82 feet to a monument the True Point of Beginning. Sometimes known as Assessor's Tax No. 135.

ALSO LESS:

A parcel of land located in the NW¼ of said Section 35, more particularly described as follows:

Commencing at the West 1/4 corner of said Section 35, a brass cap monument in place;

thence N 33°52'01" E, 1553.92 feet to a fence corner and the True Point of Beginning;
 thence S 39°20'27" E, 124.32 feet to a monument;
 thence N 39°54'54" E, 309.99 feet to a monument;
 thence N 06°29'04" E, 87.58 feet to a monument;
 thence N 50°56'10" W, 63.09 feet to a fence corner on the southeasterly highway right of way of U.S. Highway No. 95;
 thence along the southeasterly right of way line of U.S. Highway No. 95 S 54°00'16" W, 159.88 feet to a fence corner;
 thence leaving the southeasterly right of way line of U.S. Highway No. 95 S 09°39'25" W, 121.94 feet to a fence corner;
 thence S 58°35'54" W, 104.05 feet to the True Point of Beginning.
 Sometimes known as Assessor's Tax No. 136.

TOWNSHIP 28 NORTH, RANGE 2 EAST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 5: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ lying South of White bird Creek, NW $\frac{1}{4}$ SE $\frac{1}{4}$ lying South of White Bird Creek and the South Fork of White Bird Creek, SE $\frac{1}{4}$ SE $\frac{1}{4}$ lying South of the South Fork of White Bird Creek

Section 6: SE $\frac{1}{4}$ SE $\frac{1}{4}$, that portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ and of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ lying South of White Bird Creek

Section 7: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Government Lot 1 South of White Bird Creek, Government Lots 2, 3, and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 8: All

Section 9: S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 16: E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ North of the Free Use Road, SW $\frac{1}{4}$ NE $\frac{1}{4}$ South of the (Free Use) Road, S $\frac{1}{2}$ NW $\frac{1}{4}$ North of the Free Use Road, SE $\frac{1}{4}$ NW $\frac{1}{4}$ South of the (Free Use) Road

Section 17: NE $\frac{1}{4}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ lying North of the Free Use Road, S $\frac{1}{2}$ SW $\frac{1}{4}$ lying South of the (Free Use) Road, NE $\frac{1}{4}$ SW $\frac{1}{4}$ lying North of the Free Use Road, N $\frac{1}{2}$ SE $\frac{1}{4}$ lying North of the Free Use Road, N $\frac{1}{2}$ SE $\frac{1}{4}$ lying South of the (Free Use) Road

Section 18: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Government Lots 1, 2, 3, and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ lying North of the Free Use Road and SE $\frac{1}{4}$ SE $\frac{1}{4}$ lying South of the (Free Use) Road

LESS:

That portion of the S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and of the S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 18 lying South of that certain road constructed, laid out and now being maintained, the right of way of which was granted in Right of Way Deed, recorded May 23, 1931 as Instrument No. 95765, Book 59 page 459, records of Idaho County, Idaho.

Section 19: All (NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Government Lots 1, 2, 3 and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$)

Section 20: All LESS the following parcel of land as set forth in Deed to School District No. 56, recorded June 7, 1905, Book 22 page 366, records of Idaho County, Idaho, more particularly described as follows:

Beginning at a rock monument on the North line of said Section 20, said monument is 40 rods East from the Northwest corner of the NE $\frac{1}{4}$ NW $\frac{1}{4}$;
thence East on the section line 25 rods;
thence South at right angles 5 rods;
thence in a southwesterly direction an unknown distance to a point 18 rods due South from the above described monument;
thence North 18 rods to the Place of Beginning.

Section 21: All

Section 22: All

Section 27: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ LESS that portion lying East of Old Banner Ridge Road as it existed in 1948

Section 28: N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and that portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ lying North of the (Old) Banner Ridge Road

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

Section 30: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, Government Lots 1, 2, 3, and 4

TOWNSHIP 29 NORTH, RANGE 2 WEST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 25: E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$

TOWNSHIP 29 NORTH, RANGE 1 WEST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 19: E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 20: W $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 21: S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 28: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ LESS the following parcel of land as set forth in deed to School District No. 62, recorded August 11, 1934, Book 61 page 574, records of Idaho County, Idaho, more particularly described as follows:

Commencing at a point on the East line of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 28, said point being 550 feet North of the Southeast corner of said subdivision;
thence North 16 rods;
thence West 10 rods;
thence South 16 rods;
thence East 10 rods, to the Place of Beginning.

Section 29: All

Section 30: E $\frac{1}{2}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, Government Lots 1 and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$

Section 31: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, Government Lots 1 and 4

Section 32: All

Section 33: S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: W $\frac{1}{2}$ SW $\frac{1}{4}$

Parcel II: [INTENTIONALLY BLANK]

Parcel III: [INTENTIONALLY BLANK]

Parcel IV:

TOWNSHIP 28 NORTH, RANGE 2 EAST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 17: S $\frac{1}{2}$ SE $\frac{1}{4}$ LESS that portion lying North of the (Free Use) Road, NE $\frac{1}{4}$ SW $\frac{1}{4}$ lying South of the Free Use Road

Parcel V:

TOWNSHIP 28 NORTH, RANGE 2 EAST, BOISE MERIDIAN, IDAHO COUNTY, IDAHO

Section 16: SW $\frac{1}{4}$ NW $\frac{1}{4}$ LESS that portion lying North of the (Free Use) Road

Section 17: That portion of the S $\frac{1}{2}$ SE $\frac{1}{4}$ lying North of the (Free Use) Road

**EXHIBIT B
TO
MORTGAGE**

EQUIPMENT FINANCING STATEMENT SUMMARY

Name Heckman Ranches, Inc. & Subsidiary
Loan Nos. 20090112 & 20090113
County, State Idaho County, ID
Acres 16,989.21

POWER UNIT

<u>PUMP SITE</u>	<u>MANUFACTURER</u>	<u>HORSE POWER</u>	<u>SERIAL NUMBER</u>	
<u>Tract I - White Bird</u>				
River Pump	Baldor	10	N/A	Potoon Float
White Bird Creek Stockwater Pump		1	N/A	Submersible

SCALES

<u>SCALE SITE</u>	<u>MANUFACTURER</u>	<u>Weight</u>	<u>ID #</u>
White Bird-Headquarters	Howe	20 ton	16389
Joesph	Howe	15 ton	

MANUFACTURED HOMES

<u>Make/Model</u>	<u>Year Built</u>	<u>Vehicle Identification No.</u>	<u>Plate No.</u>
<u>Tract I - White Bird</u>			
Golden West (1,404 sf)	1994	# 13958	

EXHIBIT C TO MORTGAGE Water Rights

Water Right Number	Source/Tributary	Beneficial Use	Point of Use TR Sec	Date	Amount (CFS)	Water Right Acres	Priority Date	Type of Water Right	Permittee Name
79-4037	Saw mt Gulch Creek/Wolf Creek	Stockwater	29N 1W 19	Year around	2.20		6/1/1925	Statutory Claim	Heckman Ranches, Inc.
79-4039	Wolf Creek/Salmon R.	Stockwater	29N 1W 19	4/01-1/01	1.10		6/1/1925	Statutory Claim	Heckman Ranches, Inc.
79-4040	Salmon R./Snake R.	Irrigation	28N 1E 34, 35	4/01-1/01	0.60	30.00	06/01/1895	Statutory Claim	Heckman Ranches, Inc.
		Stockwater	28N 1E 34, 35	Year around	1.00				
		Domestic	28N 1E 34, 35	Year around	0.08				
79-4042	Unamed Stream/ Salmon R.	Stockwater	28N 1E 21	Year around	0.60		6/1/1925	Statutory Claim	Heckman Ranches, Inc.
79-4043	White Bird Creek/ Salmon R.	Irrigation	28N 1E 11, 12, 14	4/01-1/01	2.60	130.00	6/1/1925	Statutory Claim	Heckman Ranches, Inc.
		Stockwater	28N 1E 5, 6, 11, 12, 14	Year around	3.30				
		Domestic	28N 1E 5, 6, 11, 12, 14	Year around	0.60				
79-4044	Baker Creek/ White Bird Creek	Irrigation	28N 1E 13, 24	4/01-1/01	1.00	50.00	6/1/1925	Statutory Claim	Heckman Ranches, Inc.
		Stockwater	28N 1E 19, 24	Year around	1.10				
		Domestic	28N 1E 19, 24	Year around	0.02				
79-4045	Hagen Draw , Jimmie Thompson Warden Gulch/White Bird Creek	Stockwater	28N 1E 12	10/01-4/01	1.10		6/1/1935	Statutory Claim	Heckman Ranches, Inc.
			28N 2E 7, 8, 9, 16, 17, 18						
79-7155	North Fork Baker Gulch/ Baker Gulch	Stockwater	28N 1E 13, 24	Year around	0.23		5/19/1984	Decreed	Heckman Ranches, Inc.
79-10407	Groundwater	Irrigation	28N 1E 34, 35	3/15-10-31	0.08		12/31/1958	Decreed	Heckman Ranches, Inc.
		Stockwater	28N 1E 34, 35	Year around	0.05				
		Domestic	28N 1E 34, 35	Year around	0.10				
79-10408	Salmon R./Snake R.	Stockwater	28N 1E 34, 30N 3W 19, 29, 32	Year around	0.02		12/31/1935	Decreed	Heckman Ranches, Inc.
79-10409	Spings/Sinks	Stockwater	28N 1W 3	Year around	0.14		12/31/1935	Decreed	Heckman Ranches, Inc.
79-10410	White Bird Creek/ Salmon R.	Stockwater	28N 2E 5, 6, 7, 11, 12, 14	Year around	0.02		12/31/1935	Decreed	Heckman Ranches, Inc.
79-10411	White Bird Creek/ Salmon R.	Irrigation	28N 1E 12, 14	3/15-10/31	0.40	20.00	12/31/1935	Decreed	Heckman Ranches, Inc.
		Stockwater	28N 1E 11, 12, 14	Year around	0.02				
79-10412	Baker Creek/ White Bird Creek	Stockwater	28N 1E 23, 24 28N 2E 16, 17, 19, 20, 21, 28, 29, 30	Year around	0.02		12/31/1935	Decreed	Heckman Ranches, Inc.
79-10413	Salmon R./Snake R.	Irrigation	28N 1E 34	3/15-10/31	0.05	5.00	12/31/1961	Decreed	Heckman Ranches, Inc.
79-14080	Groundwater	Stockwater	28N 1E 35	Year around	0.04		9/10/2002	Decreed	Heckman Ranches, Inc.
		Domestic	28N 1E 35	Year around	0.16				
79-14081	Groundwater	Stockwater	28N 1E 12	Year around	0.16		11/20/2000	Decreed	Heckman Ranches, Inc.
		Domestic	28M 1E 12	Year around	0.04				

Total Acres

235.00

**EXHIBIT D
TO
MORTGAGE**

Grazing Permit Summary								
Heckman Ranches, Inc. & Subsidiary								
Loan # 20090112 & 20090113								
Allotment Name	Allot. #	Pasture	# of Hd.	Type	Grazing Period	Head Months	AUMS	Acres
Base Tract						1.32 Head Month		
Peter Ready								
Tract I. White Bird	312	Free Use Top	189	Cow/Calf	6/1-6/15	88.20	116.42	
	312	Shell Slick	189	Cow/Calf	6/16-7/15	182.70	241.16	
	312	Upper Pig Foot	189	Cow/Calf	7/16-8/10	157.50	207.90	
	312	Jungle Point	189	Cow/Calf	8/11-10/14	403.20	532.22	46875
	312	Free Use South	189	Cow/Calf	10/15-10/31	100.80	133.06	
	312	Trail thru BG	215	Cow/Calf	6/20-6/30	71.67	94.60	
	312	Trail thru BG	215	Cow/Calf	10/21-10/25	28.67	37.84	
Butte-Gospel								
Tract I. White Bird	303	Adams	70	Cow/Calf	7/1-7/10	21.00	27.72	
	303	Slat Creek	70	Cow/Calf	7/11-7/31	46.67	61.60	
	303	Boulder Creek	70	Cow/Calf	8/1-8/25	56.00	73.92	
	303	Adams	70	Cow/Calf	8/26-8/31	11.67	15.40	
	303	Sawycar Ridge	145	Cow/Calf	7/1/7/15	67.67	89.32	38916
	303	Adams	215	Cow/Calf	9/1-9/30	207.83	274.34	
	303	Mill Creek	215	Cow/Calf	10/1-10/20	207.83	274.34	
Hanover								
Tract I. White Bird	107	Hanover	145	Cow/Calf	7/16-8/31	222.33	293.48	15479
Total USFS Head Months						1,873.73		
Total USFS AUMS							2,473.33	
Total Cost at \$1.35 Head Months						\$2,529.54		
Allotment Name	Allot. #		# of Hd.	Type	Grazing Period		AUM's	Acres
Base Tract								
Wild Cat Creek								
Tract II. Joesph	G4192		400	Cattle	4/01/6/21		88	720
Total Idaho Dept of Lands AUMS							88	
Total Cost at \$5.12 AUM							\$450.56	
Total AUMS						2,561.33		
Total Cost of AUMs						\$2,980.10		