

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.

Incomplete forms will be returned.

1. Water Right No(s): TRANS. 11-4095, 11-4210, 11-4111, 11-4112, 11-4113, 11-7105, 11-7257, 11-7585, 11-7586

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

AXA Equitable Life Insurance Company

c/o Rabo Agrifinance, Inc.

10100 Trinity Parkway, Suite 400

Stockton, CA 95219

RECEIVED

AUG 10 2009

Department of Water Resources  
Eastern Region

4. Name of Water Right Owner/Claimant(s) Fred W. Hunzeker and Sons, Partnership

5. Expiration Date of Notification Period January 1, 2025

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

7. Signature(s) of Security Interest holder(s) [Signature]  
(and title if applicable) Vice President

**For Office Use Only**

Received by BMK  
Receipted by BMK  
Processed by AJ

Date 8/12/09  
Date 8/12/09  
Date 8/12/09

Fee \$ 225.00  
Receipt No. ED35242  
WR \_\_\_\_\_ Date \_\_\_\_\_

SUPPORT DATA

IN FILE # 11-4095

STAMPED  
AUG 12 2009

DEV

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Date 8/12/09  
Date \_\_\_\_\_  
Date \_\_\_\_\_

Fee \$ 225.00  
Receipt No. 2035242  
WR \_\_\_\_\_ Date \_\_\_\_\_



## Memorandum

|         |                                                                                                                              |
|---------|------------------------------------------------------------------------------------------------------------------------------|
| To      | IDWR                                                                                                                         |
| CC      |                                                                                                                              |
| From    | Tiiu Newlin, AXA Equitable Life Insurance Company, c/aRabo Agrifinance, Inc.                                                 |
| Date    | 08/06/2009                                                                                                                   |
| Subject | Notice of Security Interest in Water Rights: 11-4095, 11-4210, 11-4111, 11-4112, 11-4113, 11-7105, 11-7257, 11-7585, 11-7586 |

Western Regional  
Office

10100 Trinity Parkway  
Suite 400  
Stockton, CA 95219

Telephone  
(209) 472-3900  
Facsimile  
(209) 951-3038

[www.RaboAg.com](http://www.RaboAg.com)

Dear Sir or Madam,

Please file Notice of Security Interest. Check in the amount of \$225.00 for the filing fee is attached.

Please see also attached a copy of recorded Mortgage

Please forward a conformation of recording.

If you have any questions, please let me know,

Thank you,

Tiiu Newlin  
Rabo Agrifinance  
10100 Trinity Parkway, Suite 400  
Stockton, CA 95219  
Ph: 209-472-3917

RECEIVED

AUG 10 2009

Department of Water Resources  
Eastern Region

**Facsimile**

|         |                              |                              |
|---------|------------------------------|------------------------------|
| To      | Bobby Kern                   | 208-525-7177                 |
| Company | State of Idaho DOWR          |                              |
| From    | Tiiu Newlin                  |                              |
| CC      | Fax Number                   |                              |
| Date    | 09/04/2009                   | Total Pages Including Cover: |
| Subject | Hunzeker – recorded mortgage |                              |

Rabo AgriFinance,  
10100 Trinity Parkway  
Suite 400  
Stockton, CA 95219

Telephone  
(209) 472-3900  
Facsimile  
(209) 951-3038

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the address to the right via the United States Postal Service. Thank you.

Please see attached per our phone conversation  
If you have any questions, please let me know.

Thanks,

Thanks,

Tiiu Newlin

Rabo AgriFinance, Inc.  
10100 Trinity Parkway  
Suite 400  
Stockton, CA 95219

Ph: 209-472-3915

Fax: 209-951-9027

E-mail: [Tiiu.Newlin@raboag.com](mailto:Tiiu.Newlin@raboag.com)

**State of Idaho****DEPARTMENT OF WATER RESOURCES**

Eastern Region, 900 North Skyline Drive, Suite A • Idaho Falls, Idaho 83402-1718  
Phone: (208) 525-7161 • Fax: (208) 525-7177 • Web Site: [www.idwr.idaho.gov](http://www.idwr.idaho.gov)

C. L. "BUTCH" OTTER  
Governor

GARY SPACKMAN  
Interim Director

September 1, 2009

AXA EQUITABLE LIFE INSURANCE COMPANY  
C/O RABO AGRIFINANCE INC  
ATTN: TIM NEWLIN  
10100 TRINITY PARKWAY SUITE 400  
STOCKTON CA 95219

**RECEIVED**

SEP 04 2009

RE: Security Interest in a Water Right No. 11-4095, 11-4210, 11-4111,  
11-4112, 11-4113, 11-7105, 11-7267, 11-7585 & 11-7586

Dear AXA Equitable Life Insurance Company:

The Department of Water Resources acknowledges receipt of your Security Interest in a Water Right.

Our review of your notice indicates that additional information is required before we can process the change. The information required is indicated below:

       Evidence of Security Interest: copy of RECORDED Mortgage. The Mortgage you submitted was not recorded. *see attached*

Because the Department cannot process the Security Interest without proper documentation, we will hold any action on your notice pending receipt of the necessary information. If we do not receive the necessary information within 30 days we will return your notice and all attachments and your notice will not be processed.

Please feel free to contact the Department if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Bobby Kern".

Bobby Kern  
Office Specialist II

Enclosure(s)

**Instrument # 205220****BEAR LAKE COUNTY**

8-3-2009 11:52:29 No. of Pages: 21

Recorded for : FIRST IDAHO TITLE COMPANY

KERRY HADDOCK

Ex-Officio Recorder Deputy

Index to: MORTGAGE

*Cindy E. Arner*

RECORDED AT REQUEST OF:

RETURN RECORDED DOCUMENT TO  
RABO AGRIFINANCE, INC.  
10100 TRINITY PARKWAY  
SUITE 400  
STOCKTON, CA 95219

Loan F-116335

**IDAHO MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING**

THIS INSTRUMENT IS INTENDED AS A MORTGAGE AND AS A  
FIXTURE FILING UNDER THE IDAHO UNIFORM COMMERCIAL CODE.

THIS INSTRUMENT IS TO BE FILED AND INDEXED AS  
BOTH A MORTGAGE AND AS A FIXTURE FILING

**THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING** ("Mortgage"), dated as of the 13th day of JULY, 2009 is made between FRED W. HUNZEKER & SONS, PARTNERSHIP, which acquired title as FRED W. HUNZEKER AND SONS, PARTNERSHIP whose state of incorporation/organization is IDAHO and whose chief executive office or principal residence is whose address is 1041 BENCH ROAD, MONTPELIER, ID 83254, hereinafter called "Mortgagor," and AXA EQUITABLE LIFE INSURANCE COMPANY, a NEW YORK corporation, whose address is 1290 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10104, hereinafter called "Mortgagee."

**WHEREAS**, the Mortgagor is justly indebted to the Mortgagee in the sum of TWO MILLION FIVE HUNDRED AND NO/100 DOLLARS (\$2,500,000.00) with interest, all as set forth in Mortgagor's certain Promissory Note ("Note") of even date herewith maturing JANUARY 1, 2025.

**NOW, THEREFORE, THIS MORTGAGE WITNESSETH**, that, to secure the payment of the principal of and interest on the Note and the performance of the covenants therein and herein contained, and in consideration of the premises, the Mortgagor by these presents does grant, bargain, sell, convey, transfer, assign, mortgage, pledge, warrant and confirm unto the Mortgagee all the property (the "Property") hereinafter described, to wit:

- I. The following described real property ("Real Estate") located in BEAR LAKE County, Idaho, to wit:

See attached Exhibit "A", which is incorporated herein by reference.

- II. Any and all fruit or nut bearing bushes, trees or vines presently or hereafter located on the above described real property. Mortgagor and Mortgagee hereby agree, acknowledge and confirm that such fruit or nut bearing bushes, trees or

Initials

*B. W. H.*  
*A. X. E.*

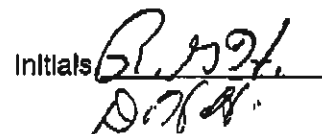
205220

vines are part of the Real Estate and will remain a part of the Real Estate throughout the term of the loan made by Mortgagee to Mortgagor that is secured by this Mortgage.

- III. Certificates numbered n/a representing n/a shares of the capital stock of n/a and the water rights represented thereby (If no entries, this granting clause is inapplicable).
- IV. All water rights represented by Permit, License or Statutory Claim Nos. 11-4095, 11-4210, 11-4111, 11-4112, 11-4113, 11-7105, 11-7257, 11-7585 and 11-7586 issued by the Idaho Department of Water Resources. (If no entries, this granting clause is inapplicable).
- V. All water rights represented by Claim No. n/a filed in the Snake River Basin Adjudication proceeding now pending in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls under Case No. n/a (If no entries, this granting clause is inapplicable).

**TOGETHER WITH** (1) all easements, rights-of-way and rights appurtenant to said Real Estate or used in connection therewith or as a means of access thereto; (2) all tenements, hereditaments and appurtenances thereto, including all water, water rights, and drainage rights appertaining thereto; (3) Mortgagor's interest as lessor in all leases (including, but not limited to, oil, gas and mineral leases) affecting said Real Estate; (4) all buildings, structures, improvements, fixtures, attachments, appliances, equipment, machinery and other articles now or hereafter erected on, affixed or attached to, said Real Estate which are real property, and all substitutions, replacements, additions and accessions thereof or thereto; (5) all rents, issues, profits, royalties, bonuses, income and other benefits derived from or produced by said Real Estate (subject, however, to the assignment of rents and profits to Mortgagee herein); and (6) all right, title, estate, interest, and other claim or demand, including, without limitation, all claims or demands to the proceeds of all insurance now or hereafter in effect with respect to said Real Estate, which Mortgagor now has or may hereafter acquire in said Real Estate, and all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of said Real Estate.

**AND ALSO**, Mortgagor, as debtor, irrevocably grants and assigns to Mortgagee, as secured party, a security interest in all of the following collateral which is personal property now or hereafter owned by Mortgagor or in which Mortgagor now or hereafter has any rights and which is now or hereafter affixed or attached to, or produced from, or used in connection with said Real Estate, including but not limited to: All personal property described in Exhibit "B" attached hereto and made a part hereof and articles of personal or mixed property of every kind and nature whatsoever, including, without limitation, all (a) goods, including without limitation, irrigation equipment and machinery (excluding, however, automobiles, trucks, tractors, trailers, wheeled vehicles, planting and tillage equipment), watering and irrigation apparatus, pumps, motors, generators, pipes, center pivot irrigators and sprinklers, windmills, fences, fixtures, fittings, appliances, farm products, crops growing or to be grown, timber standing or to be cut, minerals or the like (including oil and gas), raw materials, inventory and work in process; (b) all water stock and water rights and, to the extent listed on the attached Exhibit "B", all investment



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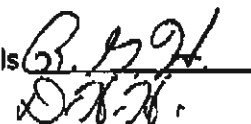
property, including without limitation, certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts, including all stock, bonds and commodities contracts; (c) all permits and licenses used in the operation of the Real Estate and, to the extent listed on the attached Exhibit "B", general intangibles, including without limitation payment intangibles and software; (d) accounts, including without limitation all of Mortgagor's right to any payment arising out of the sale, lease or license of all kinds of tangible and intangible personal property, contract rights, general intangibles, instruments, documents, chattal paper, accounts receivable, deposits, fees, charges and other payments, income and cash receipts that are otherwise described in this paragraph; (e) personal property of the same general kind or class as otherwise described in this paragraph which Mortgagor may now own or hereafter acquire, wherever located, used or usable in the operation of or relating to the Real Estate; and all products and proceeds from the sale or other disposal thereof, including, without limitation, all payments under any insurance policies, substitutions and replacements, additions, accessions of or to said collateral and any indemnity, warranty or guaranty relating to any of the foregoing (all of the foregoing property shall be hereinafter collectively referred to as the "Collateral"; the Real Estate and the Collateral shall hereinafter be collectively referred to as the "Property"). PROVIDED HOWEVER, that nothing in this Mortgage shall prevent Mortgagor from obtaining secured crop financing which may include the perfection of a lien by the crop lender on the crops growing or to be grown for a period not to exceed the beginning of the next crop year. If Mortgagor exercises its right to place a single crop lien on the crops grown or to be grown on the Real Estate hereunder, such crop lien shall automatically be a superior lien to the lien on such crop created hereby without the need for any consent or subordination from Mortgagee.

**TO HAVE AND TO HOLD** the same unto the Mortgagee, its successors and assigns, forever.

**PROVIDED ALWAYS**, that if the Mortgagor, his heirs, representatives, successors or assigns, shall pay unto the Mortgagee, its successors or assigns, the said sum of money mentioned in the Note and the interest thereon at the times and places and in the manner specified in the Note, and all other sums that may become due and owing to the Mortgagee pursuant to any of the terms, covenants and conditions hereof, and perform all the conditions and covenants contained in this Mortgage, then these presents and the estate hereby granted shall cease, determine and be void and shall be released by the Mortgagee at the expense of the Mortgagor, otherwise to remain in full force and effect.

**AND SUBJECT** to the covenants and conditions hereinafter set forth.

**FIRST.** The Mortgagor hereby covenants and agrees, to the extent permitted by law, as follows: (a) to pay promptly when due the principal and interest and other sums of money provided for in the Note and this Mortgage, or either; (b) to pay all taxes, assessments and other charges (including ditch, canal, reservoir, or other water charges, taxes or assessments) imposed by law upon the Property, the Mortgagor's interest therein, or upon the Mortgage or the Note; provided however, in the event of the passage of any law changing the laws for the taxation of mortgages or debts secured by mortgage so as to affect this Mortgage, the entire indebtedness secured hereby shall, at the option of the Mortgagee, become due and payable;



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(c) to keep the Property and improvements thereon in good condition and repair and not to commit or suffer waste thereof, and except as authorized in any schedule annexed hereto and forming a part hereof, neither to remove nor permit the removal of any timber, buildings, oil, gas, minerals, stone, rock, clay, fertilizer, gravel or top soil without the prior written consent of the Mortgagee; and (d) to maintain and deliver to the Mortgagee policies of insurance against such hazards on the buildings now or hereafter located on the Property as the Mortgagee may require from time to time, in such companies and amounts and with such loss payable clauses as shall be satisfactory to the Mortgagee; in the event of loss the Mortgagee is expressly authorized to settle or compromise claims under said policies and the proceeds shall be paid to the Mortgagee who may apply same or any part thereof on the indebtedness secured hereby or towards the reconstruction or repair of said buildings or release same to the Mortgagor; (e) to pay any lien, claim or charge against the Real Estate which might take precedence over the lien hereof; (f) to pay on demand all legal expenses, title searches, or attorney fees reasonably incurred or paid by the Mortgagee to collect the Note or foreclose or protect the lien of the Mortgage; (g) in the event the Mortgagor shall fail to comply with the provisions of (a) through (f) above, the Mortgagee may take such action as is necessary to remedy such failure and all sums paid by the Mortgagee pursuant hereto with interest at the rate hereinafter provided shall constitute a lien upon the Property, shall be secured by this Mortgage, and shall be immediately due and repayable to the Mortgagee; (h) if the Real Estate or any portion thereof shall be taken or damaged under the power of eminent domain, the award for any property so taken or damaged (including severance damages to the remaining premises) shall be paid to the Mortgagee and applied in full or in part at the option of the Mortgagee in reduction of the indebtedness hereby secured; (i) the Mortgagee shall have the right to inspect the Property at such reasonable times as the Mortgagee may desire to determine the Mortgagor's compliance with the covenants contained in this Mortgage; (j) the Mortgagee may release from the lien hereof any part of the above described Property without requiring any consideration therefor, and (k) Mortgagor is lawfully seized of the Real Estate in fee simple, the same is free from encumbrances except as may otherwise be specifically noted herein or waived in writing by the Mortgagee, Mortgagor will execute or procure any further necessary assurances of title and does hereby warrant generally the title to the Real Estate and will forever defend the same against the claims and demands of all persons whomsoever, and his separate estate, whether vested, contingent or in expectancy, is hereby conveyed and he does hereby expressly waive, release and relinquish all rights and benefits of any homestead, dower, curtesy, appraisement, exemption and stay laws of this state. It is agreed that the interest provided for in subsection (g) above shall be at the rate set forth in the Note for times when an event of default has occurred or the highest lawful rate permitted by contract under applicable law, whichever is lesser.

**SECOND.** If the Mortgagor shall default in the payment of the Note or in the performance of any of the covenants or agreements herein or in the Note or in any agreement collateral hereto contained, or if the then owner of the Property shall make an assignment for the benefit of creditors or shall file a petition for relief under the federal Bankruptcy Code as now or hereafter in effect, or any successor thereto, or shall be adjudicated bankrupt or insolvent, or if any receiver, liquidator or trustee shall be appointed for such then owner or any of his property, then in such event, the entire indebtedness hereby secured shall, at the option of the Mortgagee and without notice to the Mortgagor, be due and collectible at once by judicial foreclosure proceedings or as otherwise provided by law, or, when available under applicable

Initials P. B. H.  
D. H. H.

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statutes or rules of practice, by advertisement and sale, and in such an event this provision shall be deemed as authorizing and constituting a power of sale as mentioned in said statutes or rules; that in addition to the rights and remedies herein, the Mortgagee is hereby authorized and empowered at its option to exercise forthwith and from time to time any further rights and remedies available to the Mortgagee under the laws of the state wherein the Property is situate, such as the right to collect the rents, issues and profits, or to have a receiver appointed to collect the same.

**THIRD.** The following schedules are annexed hereto and made a part hereof (if no entry, this section is inapplicable): Exhibit "A" Legal Description, Exhibit "B" Personal Property, Exhibit "C" Federal Range Mortgage Rider and Exhibit "D" Forest Permit Mortgage Rider.

**FOURTH.** Mortgagor acknowledges that his/her current financial position is an important factor in Mortgagee's decision to advance the funds represented by the aforementioned Note. Mortgagor therefore has agreed, in order to provide assurance to Mortgagee with regard to Mortgagor's financial position, that it shall be an event of default for Mortgagor to allow any lien or encumbrance other than this Mortgage and the lien for taxes which are not yet due and payable to be placed on all or any part of the Real Estate and allowed to remain a lien for 30 day(s) EXCEPT a lien junior and inferior to this Mortgage may be placed on all or a part of said property in favor of N/A in a principal amount not to exceed ZERO DOLLARS (\$0) to be placed of record not later than N/A.

**FIFTH.** The covenants herein contained shall bind, and the benefits and advantages thereof shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. In this Mortgage, unless the context otherwise requires, words in the singular number include the plural and in the plural include the singular, and words in the masculine gender include the feminine and the neuter. Whenever the term "Mortgagor" shall include more than one person or entity, their liability hereunder shall be joint and several.

**SIXTH.** Mortgagor shall not suffer any waste of the Property and will not permit or conduct either the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act, or the disposal on the Real Estate of petroleum or any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, and will perform all remedial actions reasonably necessary as the result of the presence of any such hazardous wastes, petroleum or hazardous substances on, at or near the Real Estate. Mortgagor shall be personally liable for and agrees to indemnify, defend with counsel satisfactory to Mortgagee and hold Mortgagee harmless against any loss, damage, or liability suffered by the Mortgagee, including but not limited to attorney's fees, due to the presence of any such hazardous waste, petroleum or hazardous substance at, on or near the Real Estate, and Mortgagor shall be liable for compliance (and for costs associated therewith) with any directive or order by any governmental entity relating to the presence of any such hazardous waste, petroleum or hazardous substance on, at, or near the Real Estate. Mortgagor will deliver promptly to the Mortgagee, (i) copies of any documents received from the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning the Mortgagor's operations upon the Real Estate; and (ii) copies of any documents submitted by the Mortgagor to the United States Environmental Protection

Initials B. J. H.  
D. H. H.

205220

Agency or any state, county or municipal environmental or health agency concerning its operations on the Real Estate. Mortgagor agrees that, notwithstanding any provision to the contrary in this Mortgage, this indemnification and hold harmless shall survive the release or reconveyance of this Mortgage, whether pursuant to payment in full of the Note, or judicial or non-judicial foreclosure under this Mortgage, or otherwise.

**SEVENTH.** Mortgagor covenants and agrees to keep perfected and in good status any State of Idaho water permits or water company stock pertaining to water from all irrigation sources which is used in connection with the irrigation of the Real Estate. Mortgagor covenants and agrees to keep in good status any other existing or future water rights, licenses and/or permits which are used in connection with the irrigation of the Real Estate. Mortgagor agrees to complete appropriation and all other requirements necessary to obtain the issuance of a license for water permits issued to Mortgagor, in order that such water may legally be used and continue to be used for the irrigation of the Real Estate. Upon Mortgagor's failure to comply with the covenants and agreements set forth in this paragraph, Mortgagee, without prejudice to any other rights given herein, may at its option, either in its own name or in the name of Mortgagor, take any and all action necessary to protect and maintain the permits, licenses, water and water rights referred to herein. Mortgagor does hereby irrevocably constitute and appoint Mortgagee as Mortgagor's true and lawful agent and attorney with full power and authority, in the name of Mortgagor or otherwise, to take any and all action necessary to preserve and protect the permits, licenses, water and water rights referred to herein. Mortgagor covenants and agrees to promptly provide copies of all documents relating to such permitting and licensing process to Mortgagee.

**EIGHTH.** With respect to Property which may now or hereafter be characterized by law as personal property, this Mortgage shall constitute a Security Agreement between Mortgagor and Mortgagee, and, cumulative of all other rights of Mortgagee Hereunder, Mortgagee shall have all rights conferred upon secured parties by the Uniform Commercial Code ("UCC") as in effect from time to time in the state where the Collateral is located except to the extent the UCC provides for the application of the law of the state of location of the Mortgagor in which event the UCC as in effect from time to time, in such state shall apply. This Mortgage shall be effective as a Financing Statement filed as a fixture filing from the date of its filing for record in the Real Estate Records of the county in which the Real Estate is located. Until the lien of this Mortgage is released or satisfied of record, Mortgagor authorizes Mortgagee to file one or more financing statements and continuation statements describing the Collateral, hereby ratifies any such financing statement or continuation statement previously filed by Mortgagee, and agrees, if requested by Mortgagee so to do, to execute one or more Financing Statements covering such Collateral, in the manner and form required by law and to the satisfaction of Mortgagee. On demand, Mortgagor will promptly pay all costs and expenses of filing Financing Statements, continuation statements, partial releases and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such Collateral, and it is expressly agreed that if upon default Mortgagee should proceed to dispose of the Collateral in accordance with the provisions of the UCC ten (10) days' notice by Mortgagee to Mortgagor shall be

Initials R. D. H.  
D. H. H.

205220

deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option dispose of the Collateral in accordance with Mortgagee's rights and remedies in respect of the Real Estate pursuant to the provisions of this Mortgage in lieu of proceeding under the UCC. Mortgagor hereby warrants, represents and covenants that (a) the Collateral will be kept on or at the Real Estate described herein and Mortgagor will not remove the Collateral from the Real Estate without the prior written consent of Mortgagee, except such portions or items of Collateral which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor; (b) Mortgagor's chief executive officer or principal residence is Mortgagor's address set forth in the first paragraph of this Mortgage; (c) Mortgagor's state of organization, if applicable, is as set forth in the first paragraph of this Mortgage; and (d) Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage.

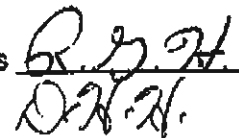
**NINTH.** It is understood and agreed that a material factor in inducing the Mortgagee to make this loan to the Mortgagor is the unique status of the agricultural industry and the expertise and financial strength of the Mortgagor. In the event the Mortgagor ceases to own the mortgaged property, the security for this loan is thereby deemed to be impaired. Consequently, in the event that all or any portion of the Real Estate is sold, contracted for sale, leased with the option to purchase, conveyed, alienated, transferred, or if the Mortgagor is a corporation, or a partnership, or a limited liability company more than forty-nine percent (49%) of either the corporation stock, partnership interests or member interests is sold, contracted for sale, conveyed, alienated, transferred, or otherwise disposed of, whether voluntary or involuntary, by operation of law or otherwise to persons other than owners at the date of this Mortgage and their heirs prior to the time the indebtedness secured hereby shall have been paid, then, at the option of the Mortgagee, the entire said indebtedness shall become due and payable and the Mortgagee may exercise any of its rights and remedies provided for in the Mortgage.

**TENTH.** Mortgagor, its successors and assigns and each of them, represent and warrant that the Property does not represent the proceeds of some form of unlawful activity under any state, federal or foreign law.

**ELEVENTH.** Mortgagor, its successors and assigns and each of them, represent and warrant that either:

(a) The Property does not contain and will not be cultivated to grow any variety of perennial crops, or plants, vines, trees, nuts and/or fruit that produce crops in more than one crop year (hereinafter "Permanent Plantings") that is or may be subject to Intellectual property rights under U.S. or foreign patent, copyright or trademark laws, the Plant Variety Protection Act or similar laws or subject to license from the holder of any such intellectual property rights (all of the foregoing being hereinafter referred to as "IP Rights"); or

(b) To the extent the Property does contain or in the future is cultivated to grow any variety of Permanent Plantings that is or may be subject to IP Rights, Mortgagor represents and warrants that Mortgagor is or shall be the owner of such IP Rights free and clear of any claim, right, title, interest or lien of any other person, Mortgagor has or shall notify Mortgagee in writing of the existence of such IP Rights and Mortgagor does hereby, has or shall grant Mortgagee a



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security interest in and a lien upon all of Mortgagor's right, title and interest in, to and under, whether now owned or hereafter created in IP Rights, all cash and non-cash proceeds and products of the IP Rights and all causes of action, past, present and future for infringement, misappropriation or dilution of any of the IP Rights or unfair competition regarding the same.

**IN WITNESS WHEREOF**, each of the undersigned has signed, sealed and delivered this Mortgage as of the day, month and year first above written.

In presence of:

FRED W. HUNZEKER & SONS,  
PARTNERSHIP

By: Dennis H. Hunzeker Partner  
Dennis H. Hunzeker, Partner

By: Roger G. Hunzeker Partner  
Roger G. Hunzeker, Partner

Initials R.G.H.  
D.H.H.

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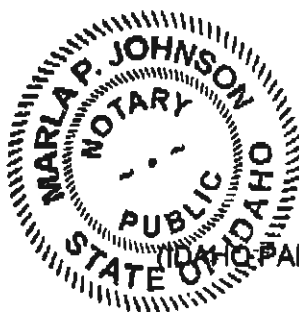
## (IDAHO PARTNERSHIP ACKNOWLEDGMENT)

STATE OF IDAHO )  
 ) SS:  
 COUNTY OF Bear Lake )

On this 29th day of July 2009, personally appeared DENNIS H. HUNZEKER, known or identified to me to be one of the partners in the partnership of See \*\*\*, and the partner or one of the partners who subscribed said partnership name to the foregoing instrument and acknowledged to me that he/she executed the same in said partnership name.

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

(SEAL)



[Signature]  
 Notary Public for Idaho  
 Residing at Ovid, Idaho  
 My commission expires 7-7-10

## (IDAHO PARTNERSHIP ACKNOWLEDGMENT)

STATE OF IDAHO )  
 ) SS:  
 COUNTY OF Bear Lake )

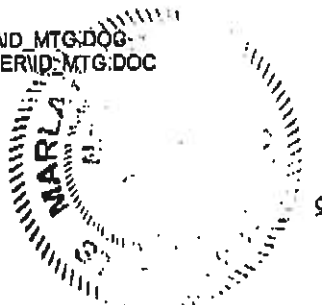
On this 29th day of July 2009 personally appeared ROGER G. HUNZEKER, known or identified to me to be one of the partners in the partnership of See \*\*\*, and the partner or one of the partners who subscribed said partnership name to the foregoing instrument and acknowledged to me that he/she executed the same in said partnership name.

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

(SEAL)

[Signature]  
 Notary Public for Idaho  
 Residing at Ovid, Idaho  
 My commission expires 7-7-10

W1013Q RVSD 12-18-03  
 L:\MTG\_DOT\THIRD PARTY\ID\_MTG.DOC  
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Initials

R.G.H.  
D.H.H.

\*\*\*FRED W. HUNZEKER &amp; SONS, PARTNERSHIP

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**Exhibit "A"****Legal Description****PARCEL NO. 1:**

Commencing at the Northeast Corner of Section 24, Township 13 South, Range 43 East of Boise Meridian in Idaho, and running thence South  $89^{\circ}17'$  West 2640 feet; thence North  $87^{\circ}30'$  West 1320 feet; thence South 1039.5 feet; thence East 3960 feet, more or less, to Section Line; thence North 990 feet, more or less, to the Place of Beginning.

ALSO: Commencing at the Northeast Corner of the West Half of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence West 363 feet; thence South 726 feet; thence East 181.5 feet; thence South 330 feet; thence East 181.5 feet; thence North 1056 feet to the Place of Beginning

ALSO: Commencing at the Northwest Corner of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 841.5 feet; thence East 1105.5 feet; thence North 841.5 feet; thence West 1105.5 feet to the Place of Beginning.

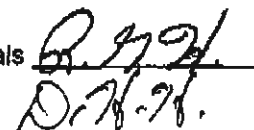
ALSO: Commencing at a point 990 feet South from the Northeast Corner of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South  $89^{\circ}17'$  West 3960 feet (to point 1039.5 feet South from the Northwest Corner of Lot 1); thence South 330 feet; thence North  $89^{\circ}17'$  East 3960 feet; thence North 330 feet to the Point of Beginning.

ALSO: Commencing at a point 1056 feet South of the Northeast Corner of the West Half of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 330 feet; thence West 231 feet to Ovid Line; thence North along said Ovid line 330 feet; thence East 214.5 feet to the Point of Beginning.

ALSO: Commencing at a point 924 feet North of the Southeast Corner of the West Half of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence North 330 feet; thence West 231 feet (formerly incorrectly described as East 231 feet) to Ovid Line; thence South along said line 330 feet; thence East 239 feet (formerly incorrectly described as West 239 feet) to the Point of Beginning.

ALSO: Commencing at a point 1320 feet South from the Northwest Corner of the Northeast Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South  $89^{\circ}17'$  West 1320 feet (to point 1369 feet South from the Northwest Corner of Lot 10); thence South 330 feet; thence North  $89^{\circ}17'$  East 1320 feet; thence North 330 feet to the Point of Beginning.

ALSO: Commencing at the Northwest Corner of the Southwest Quarter of the Northeast Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 396 feet; thence East 1320 feet; thence North 396 feet; thence West 1320 feet to



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the Place of Beginning.

PARCEL NO. 2:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 23: S $\frac{1}{2}$ S $\frac{1}{2}$ .

Section 26: N $\frac{1}{2}$ ; SW $\frac{1}{4}$ .

EXCEPT THEREFROM, the following described tract: Beginning at a point 1375 feet North and 600 feet West from the Southeast Corner of the NE $\frac{1}{4}$  of said Section 26, and running thence South 76° West 155 feet; thence South 14° East 562 feet; thence North 76° East 155 feet; thence North 14° West 562 feet to the point of beginning.

ALSO EXCEPT THEREFROM: Beginning at the Southeast corner of the NE $\frac{1}{4}$  of said Section 26, and running thence West 300 feet; thence North 300 feet; thence East 300 feet; thence South 300 feet to the Point of Beginning.

SUBJECT to a right of way for ingress and egress to the above excepted tract.

PARCEL NO. 3:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 15: S $\frac{1}{2}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ .

Section 20: Beginning at the Northeast Corner of Section 20, Township 13 South, Range 45 East of the Boise Meridian in Idaho; and running thence West along Section line 2500 feet, more or less, to an existing roadway and fenceline; thence Southwesterly along said roadway to a point 3190 feet West, more or less, from the Southeast Corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ ; thence East 3190 feet, more or less, to the Southeast Corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ ; thence North 1320 feet to the point of beginning.

Section 22: W $\frac{1}{2}$ NE $\frac{1}{4}$ ; SW $\frac{1}{4}$ NW $\frac{1}{4}$ ; E $\frac{1}{2}$ NW $\frac{1}{4}$ .

PARCEL NO. 4:

TOWNSHIP 13 SOUTH, RANGE 43 EAST OF THE BOISE MERIDIAN:

Section 13: Beginning at the Southwest Corner of the NW $\frac{1}{4}$  of Section 13, and running thence East 1155 feet; thence North 1320 feet; thence West 1155 feet; thence South 1320 feet to the point of beginning.

Section 14: Beginning at a point 503.58 feet East and 1197.90 feet North (the center of County Road East of Ovid) from the Southwest Corner of the SE $\frac{1}{4}$  of Section 14, and running thence South 482.46 feet; thence East 47.52 feet to North Creek; thence up said Creek following its

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*D. H. H.*

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windings to South side of Section 14; thence South 89°55' East 2359.50 feet; thence North 1214.40 feet; thence North 89° West 2023.56 feet to North Creek; thence up said Creek to center of County Road; thence West 132 feet to the point of beginning. EXCEPT: Highway 89.

ALSO EXCEPT THEREFROM, the following described tracts:

1. Beginning at a point (on North Creek) 210 feet East of the Southwest Corner of the SE¼ of Section 14, and running thence East 240 feet; thence North 575 feet to center of North Creek; thence up North Creek following its windings to the point of beginning.
2. Beginning at the Northeast Corner of Lot 6 in Plat Book B at page 53, in Section 14, and running thence South 336 feet, more or less, to the bank of the Ovid Creek; thence 495 feet, more or less, in the Northeasterly direction along the meandering line of the Ovid Creek to a point on U.S. Highway No. 89 right of way, which point is 300 feet East of the point of beginning; thence West 300 feet to the point of beginning.

Section 23: Beginning at the Northeast Corner of Section 23, and running thence South 726 feet; thence North 66° West 584.1 feet; thence North 76°20' West 1900.80 feet; thence North 50°15' East 43.56 feet; thence East 2350.92 feet to the point of beginning.

ALSO: TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Section 7: Beginning at a point 1122.0 feet South from the Northwest Corner of the SW¼ of Section 7, and running thence North 76°15' East 1610.4 feet, more or less, to the East boundary line of Lot 3; thence South 1468.50 feet, more or less, to the North boundary line of the Oregon Short Line Railroad right of way; thence South 77°32' West along said right of way to the West boundary line of said Section 7; thence North 1456.125 feet, more or less, to the point of beginning. EXCEPT: Highway 89.

ALSO: Beginning at the South Quarter Corner of said Section 7, and running thence North 89°53' West 89 feet; thence North 6°30' West 650 feet, more or less, to the North boundary line of the Oregon Short Line Railroad right of way; thence Northeasterly to the point where said right of way intersects the East boundary line of the SW¼SE¼ of said Section 7; thence South 990 feet, more or less, to the Southeast Corner of said SW¼SE¼; thence West 1320 feet to the point of beginning.

ALSO: Section 10 & 15: Beginning at the center of Section 15, thence West 616.44 feet to the West line of Lot 2 of said Section 15; thence Northerly along the West boundary line of Lots 1 & 2 to the North line of said Section 15; thence West 820 feet, more or less, to the Easterly right of way line of the Oregon Short Line Railroad; thence Northerly along said right of way to the North line of Lot 3, Section 10; thence Easterly to a point which is 990 feet West, North 60°30' West 660 feet, North 7°30' West 462 feet from the Northeast Corner of the NW¼ of said Section 15; thence East 528 feet; thence North 33 feet; thence East 1460 feet; thence Southerly 734 feet; thence East 437 feet, more or less, to the West boundary line of the old U.S. Highway No. 30; thence Southerly along said right of way line to a point 1320 feet East and 808.5 feet North to the point of beginning; thence Southeast 990 feet more or less to a point 1854.5 feet East of the point of beginning; thence West 544.5 feet; thence South 1320 feet; thence West 1320 feet; thence North 1320 feet to the point of beginning. EXCEPT: All that portion lying Easterly of the

*R. S. H.*  
*D. H. H.*

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Montpelier-Preston Canal, SUBJECT TO right of way granted to the lender from old U.S. Highway No. 30 to the remainder of the property.

ALSO EXCEPT THEREFROM, the following described tract: Beginning at a point 1320 feet East and 485 feet North of the center of Section 15; thence West 370 feet; thence North 500 feet; thence East 320 feet, more or less, to the old right of way line of U.S. Highway No. 30; thence Southeasterly along said right of way line to a point due East of the point of beginning; thence West to the point of beginning.

ALSO: Section 18: E $\frac{1}{2}$ NW $\frac{1}{4}$ ; W $\frac{1}{2}$ NE $\frac{1}{4}$ .

EXCEPT THEREFROM the following described tract: Beginning at a point on the South boundary line of the NW $\frac{1}{4}$  of Section 18, which bears South 88°53' East 1954 feet from the West Quarter Corner of said Section 18; and running thence South 88°53' East 93 feet; thence North 4°29' East 2654 feet to the North boundary of Section 18; thence North 88°53' West 80 feet; thence South 4°46' West 2655 feet to the point of beginning.

ALSO: TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 9: SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 10: S $\frac{1}{2}$ .

Section 11: W $\frac{1}{2}$ SW $\frac{1}{4}$ .

Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ .

Section 15: E $\frac{1}{2}$ ; N $\frac{1}{2}$ NW $\frac{1}{4}$ .

Section 22: NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

Section 23: N $\frac{1}{2}$ NW $\frac{1}{4}$ .

Section 24: SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; E $\frac{1}{2}$ SW $\frac{1}{4}$ ; W $\frac{1}{2}$ SE $\frac{1}{4}$ .

Section 25: W $\frac{1}{2}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; W $\frac{1}{2}$ SE $\frac{1}{4}$ ; SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 27: SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

Section 28: SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$ .

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

PARCEL NO. 5:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 25: SW $\frac{1}{4}$ .

Section 26: SE $\frac{1}{4}$ .

PARCEL NO. 6:

TOWNSHIP 13 SOUTH, RANGE 43 EAST OF THE BOISE MERIDIAN

Section 13: N $\frac{1}{2}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

ALSO: Commencing at a point 70 rods East from the Southwest Corner of the Northwest Quarter of Section 13, Township 13 South, Range 43 East of the Boise Meridian, and running thence East 70 rods; thence North 80 rods; thence West 70 rods; thence South 80 rods to the place of beginning.

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*DH-N*

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EXCEPTING THE FOLLOWING: Commencing at a point 25 chains East from the Southwest Corner of the Northwest Quarter of Section 13, Township 13 South, Range 43 East, Boise Meridian in Idaho; running thence East 10 chains; thence North 9.26 chains, more or less, to County Road; thence in a Southwesterly direction along said County Road 14 chains, more or less, to place of beginning.

ALSO: Section 13: N $\frac{1}{2}$ SE $\frac{1}{4}$ ; N $\frac{1}{2}$ SW $\frac{1}{4}$ .

EXCEPTING THE FOLLOWING: Any portion of the above described property lying within the Right of Way line of U.S. Highway 89.

PARCEL NO. 7:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 20: SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 29: N $\frac{1}{2}$ NW $\frac{1}{4}$ .

Section 30: Beginning at a point 15.30 chains South of the Northeast Corner of Section 30, and running thence North 75 links; thence West 18.75 chains; thence South 12°25' East 75 links; thence East 18.67 chains to the Point of Beginning.

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

ALSO:

Section 20: SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 21: SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{2}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; N $\frac{1}{2}$ S $\frac{1}{2}$ .

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

PARCEL NO. 8:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 20: SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 29: NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; S $\frac{1}{2}$ N $\frac{1}{2}$ ; S $\frac{1}{2}$ .

EXCEPT THEREFROM: Beginning at the Southwest Corner of said Section 29, and running thence South 89°54' East 840 feet, more or less, along the South line of said Section 29; thence North 4060 feet, more or less, paralleling the West line of said Section 29; thence meandering in a Northwesterly direction along the Southwest edge of a private road 990 feet, more or less;

B. S. N.  
D. N. N.

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thence South 4350 feet, more or less, along the West line of said Section 29 to the Point of Beginning.

Section 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

*Correct Doc*  
 ALSO: Beginning at the North Quarter Corner of said Section 32, and running thence North 89°54' West 500 feet to a point on the North line of said Section 32; thence South 37°08' East along the Northeasterly and the Northerly boundary of existing road, known as old Emigration Road to a point on the South line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 32; thence East along the said South line to the Southeast Corner of said NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; thence North along the East line of NW $\frac{1}{4}$ NE $\frac{1}{4}$  to a point on the North line of said Section 32; thence North 89°54' West to the Point of Beginning.

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

ALSO:

TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Section 15: All that portion of Lots 3, 7 and 8, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  lying Easterly of the Easterly right of way line of the Oregon Shortline Railroad as presently located.

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 20: SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 21: S $\frac{1}{2}$ S $\frac{1}{2}$ .

Section 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$ .

Section 29: NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

ALSO:

TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Section 15: All that portion of Lot 6 lying Easterly of the Easterly right of way line of the Oregon Shortline Railroad as presently located.

ALSO: All that portion of Lots 3, 6, 7 & 8 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  lying in and upon the East Half of the Oregon Shortline Railroad as presently located.

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining.

PARCEL NO. 9:

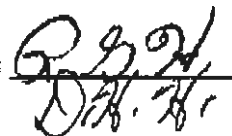
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*ONH*

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**TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:**

Sections 7, 18 and 19: Beginning at a point 600 feet West and South 1980 feet from the Northeast corner of Lot 2 of said Section 19, and running thence North 5940 feet; thence North 4°46' East 3000 feet, more or less, to the North line of the Oregon Short Line Railroad right of way; thence South 76°15' West along said right of way 1254 feet, more or less, to the West line of said Section 7; thence South 8620 feet, more or less, to a point 1100 feet, more or less, West of the point of beginning; thence East 1100 feet, more or less, to the Point of Beginning.

EXCEPT THEREFROM that portion thereof lying within the following described tract, to-wit: Beginning at a point which is 98.4 feet West of the Northeast Corner of Lot 3 of said Section 18, and running thence West 530 feet; thence North 4°46' East 2649 feet to the North line of Lot 1 of said Section 18; thence East 390 feet along the said North line of Lot 1; thence South 1600 feet; thence South 4°46' West 1050 feet to the Point of Beginning.



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**Exhibit "B"**

**Personal Property**

**Water Rights.**

All water rights represented by Permit, License or Statutory Claim Nos. 11-4095, 11-4210, 11-4111, 4112, 11-4113, 11-7105, 11-7257, 11-7585 and 11-7586 issued by the Idaho Department of Water Resources.

Initials B. S. J.  
D. H. H.

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Exhibit "C"FEDERAL RANGE MORTGAGE RIDER

The mortgagor does further covenant and agree with the mortgagee:

1. To be the lawful owner and holder of grazing leases and permits under the provisions of the Taylor Grazing Act [Title 43 U.S.C.A. Sections 315 to 315(p)], which are described as follows:

Two (2) permits in the state of Wyoming: (i) a permit to graze 59 AUM's in the Grazing District No. 13022 Lombard Allotment; and (ii) a permit to graze 548 AUM's in the Grazing District No. 13025 Gasson Allotment.

Two (2) permits in the state of Idaho: (i) a permit to graze 58 AUM's in the Grazing District No. 04107 Sheep Creek Hills 1 Allotment; and (ii) 698 AUM's in the Grazing District No. 04185 Sheep Creek Hills 2 Allotment.

2. To pay all rent or charges due under the terms of said leases and permits, or any renewal or extension thereof, or by the rules and regulations of the United States Department of Interior or the laws of the United States.
3. To perform and observe all the covenants, conditions, and stipulations contained in said leases and permits, or renewals or extensions thereof; to comply with the rules and regulations of the Department of Interior and the laws of the United States applicable to said leases and permits.
4. To make application and do any and all things necessary to obtain extension or renewal of said leases and permits during the term of this mortgage.
5. To execute to the mortgagee, at such time as the mortgagee may require, an assignment or assignments of said leases and permits or any renewal or extension thereof, in such form as may be satisfactory to the mortgagee.
6. That in the event the mortgagor fails to pay when due any rent or charges payable under said leases and permits, or renewals or extensions thereof, or under the rules and regulations of the Department of Interior or the laws of the United States, mortgagee may make such payment and the amount paid therefor shall become a part of the indebtedness secured by the lien of this mortgage and bear interest from the date of payment at the same rate as specified in the note secured hereby on the principal thereof after default and maturity.
7. That in the event the mortgagor fails to perform all and singular the covenants, conditions and agreements contained in the mortgage including this rider, or upon receipt by the mortgagee of notice of the mortgagor's failure to comply with the terms of

RECORDED AT REQUEST OF:

RETURN RECORDED DOCUMENT TO  
RABO AGRIFINANCE, INC.  
10100 TRINITY PARKWAY  
SUITE 400  
STOCKTON, CA 95219

**COPY**  


CERTIFIED TO BE A TRUE AND  
CORRECT COPY OF THE ORIGINAL

Loan F-116335

**IDAHO MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING**

THIS INSTRUMENT IS INTENDED AS A MORTGAGE AND AS A  
FIXTURE FILING UNDER THE IDAHO UNIFORM COMMERCIAL CODE.  
THIS INSTRUMENT IS TO BE FILED AND INDEXED AS  
BOTH A MORTGAGE AND AS A FIXTURE FILING

**THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING** ("Mortgage"), dated as of the 13th day of JULY, 2009 is made between FRED W. HUNZEKER & SONS, PARTNERSHIP, which acquired title as FRED W. HUNZEKER AND SONS, PARTNERSHIP whose state of incorporation/organization is IDAHO and whose chief executive office or principal residence is whose address is 1041 BENCH ROAD, MONTPELIER, ID 83254, hereinafter called "Mortgagor," and AXA EQUITABLE LIFE INSURANCE COMPANY, a NEW YORK corporation, whose address is 1290 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10104, hereinafter called "Mortgagee."

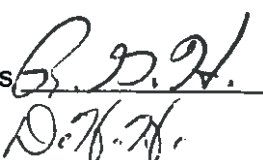
**WHEREAS**, the Mortgagor is justly indebted to the Mortgagee in the sum of TWO MILLION FIVE HUNDRED AND NO/100 DOLLARS (\$2,500,000.00) with interest, all as set forth in Mortgagor's certain Promissory Note ("Note") of even date herewith maturing JANUARY 1, 2025.

**NOW, THEREFORE, THIS MORTGAGE WITNESSETH**, that, to secure the payment of the principal of and interest on the Note and the performance of the covenants therein and herein contained, and in consideration of the premises, the Mortgagor by these presents does grant, bargain, sell, convey, transfer, assign, mortgage, pledge, warrant and confirm unto the Mortgagee all the property (the "Property") hereinafter described, to wit:

- I. The following described real property ("Real Estate") located in BEAR LAKE County, Idaho, to wit:

See attached Exhibit "A", which is incorporated herein by reference.

- II. Any and all fruit or nut bearing bushes, trees or vines presently or hereafter located on the above described real property. Mortgagor and Mortgagee hereby agree, acknowledge and confirm that such fruit or nut bearing bushes, trees or

Initials 

vines are part of the Real Estate and will remain a part of the Real Estate throughout the term of the loan made by Mortgagee to Mortgagor that is secured by this Mortgage.

- III. Certificates numbered n/a representing n/a shares of the capital stock of n/a and the water rights represented thereby (If no entries, this granting clause is inapplicable).
- IV. All water rights represented by Permit, License or Statutory Claim Nos. 11-4095, 11-4210, 11-4111, 11-4112, 11-4113, 11-7105, 11-7257, 11-7585 and 11-7586 issued by the Idaho Department of Water Resources. (If no entries, this granting clause is inapplicable).
- V. All water rights represented by Claim No. n/a filed in the Snake River Basin Adjudication proceeding now pending in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls under Case No. n/a (If no entries, this granting clause is inapplicable).

**TOGETHER WITH** (1) all easements, rights-of-way and rights appurtenant to said Real Estate or used in connection therewith or as a means of access thereto; (2) all tenements, hereditaments and appurtenances thereto, including all water, water rights, and drainage rights appertaining thereto; (3) Mortgagor's interest as lessor in all leases (including, but not limited to, oil, gas and mineral leases) affecting said Real Estate; (4) all buildings, structures, improvements, fixtures, attachments, appliances, equipment, machinery and other articles now or hereafter erected on, affixed or attached to, said Real Estate which are real property, and all substitutions, replacements, additions and accessions thereof or thereto; (5) all rents, issues, profits, royalties, bonuses, income and other benefits derived from or produced by said Real Estate (subject, however, to the assignment of rents and profits to Mortgagee herein); and (6) all right, title, estate, interest, and other claim or demand, including, without limitation, all claims or demands to the proceeds of all insurance now or hereafter in effect with respect to said Real Estate, which Mortgagor now has or may hereafter acquire in said Real Estate, and all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of said Real Estate.

**AND ALSO**, Mortgagor, as debtor, irrevocably grants and assigns to Mortgagee, as secured party, a security interest in all of the following collateral which is personal property now or hereafter owned by Mortgagor or in which Mortgagor now or hereafter has any rights and which is now or hereafter affixed or attached to, or produced from, or used in connection with said Real Estate, including but not limited to: All personal property described in Exhibit "B" attached hereto and made a part hereof and articles of personal or mixed property of every kind and nature whatsoever, including, without limitation, all (a) goods, including without limitation, irrigation equipment and machinery (excluding, however, automobiles, trucks, tractors, trailers, wheeled vehicles, planting and tillage equipment), watering and irrigation apparatus, pumps, motors, generators, pipes, center pivot irrigators and sprinklers, windmills, fences, fixtures, fittings, appliances, farm products, crops growing or to be grown, timber standing or to be cut, minerals or the like (including oil and gas), raw materials, inventory and work in process; (b) all water stock and water rights and, to the extent listed on the attached Exhibit "B", all investment

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property, including without limitation, certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts, including all stock, bonds and commodities contracts; (c) all permits and licenses used in the operation of the Real Estate and, to the extent listed on the attached Exhibit "B", general intangibles, including without limitation payment intangibles and software; (d) accounts, including without limitation all of Mortgagor's right to any payment arising out of the sale, lease or license of all kinds of tangible and intangible personal property, contract rights, general intangibles, instruments, documents, chattel paper, accounts receivable, deposits, fees, charges and other payments, income and cash receipts that are otherwise described in this paragraph; (e) personal property of the same general kind or class as otherwise described in this paragraph which Mortgagor may now own or hereafter acquire, wherever located, used or usable in the operation of or relating to the Real Estate; and all products and proceeds from the sale or other disposal thereof, including, without limitation, all payments under any insurance policies, substitutions and replacements, additions, accessions of or to said collateral and any indemnity, warranty or guaranty relating to any of the foregoing (all of the foregoing property shall be hereinafter collectively referred to as the "Collateral"; the Real Estate and the Collateral shall hereinafter be collectively referred to as the "Property"). PROVIDED HOWEVER, that nothing in this Mortgage shall prevent Mortgagor from obtaining secured crop financing which may include the perfection of a lien by the crop lender on the crops growing or to be grown for a period not to exceed the beginning of the next crop year. If Mortgagor exercises its right to place a single crop lien on the crops grown or to be grown on the Real Estate hereunder, such crop lien shall automatically be a superior lien to the lien on such crop created hereby without the need for any consent or subordination from Mortgagee.

**TO HAVE AND TO HOLD** the same unto the Mortgagee, its successors and assigns, forever.

**PROVIDED ALWAYS**, that if the Mortgagor, his heirs, representatives, successors or assigns, shall pay unto the Mortgagee, its successors or assigns, the said sum of money mentioned in the Note and the interest thereon at the times and places and in the manner specified in the Note, and all other sums that may become due and owing to the Mortgagee pursuant to any of the terms, covenants and conditions hereof, and perform all the conditions and covenants contained in this Mortgage, then these presents and the estate hereby granted shall cease, determine and be void and shall be released by the Mortgagee at the expense of the Mortgagor, otherwise to remain in full force and effect.

**AND SUBJECT** to the covenants and conditions hereinafter set forth.

**FIRST.** The Mortgagor hereby covenants and agrees, to the extent permitted by law, as follows: (a) to pay promptly when due the principal and interest and other sums of money provided for in the Note and this Mortgage, or either; (b) to pay all taxes, assessments and other charges (including ditch, canal, reservoir, or other water charges, taxes or assessments) imposed by law upon the Property, the Mortgagor's interest therein, or upon the Mortgage or the Note; provided however, in the event of the passage of any law changing the laws for the taxation of mortgages or debts secured by mortgage so as to affect this Mortgage, the entire indebtedness secured hereby shall, at the option of the Mortgagee, become due and payable;

(c) to keep the Property and improvements thereon in good condition and repair and not to commit or suffer waste thereof, and except as authorized in any schedule annexed hereto and forming a part hereof, neither to remove nor permit the removal of any timber, buildings, oil, gas, minerals, stone, rock, clay, fertilizer, gravel or top soil without the prior written consent of the Mortgagee; and (d) to maintain and deliver to the Mortgagee policies of insurance against such hazards on the buildings now or hereafter located on the Property as the Mortgagee may require from time to time, in such companies and amounts and with such loss payable clauses as shall be satisfactory to the Mortgagee; in the event of loss the Mortgagee is expressly authorized to settle or compromise claims under said policies and the proceeds shall be paid to the Mortgagee who may apply same or any part thereof on the indebtedness secured hereby or towards the reconstruction or repair of said buildings or release same to the Mortgagor; (e) to pay any lien, claim or charge against the Real Estate which might take precedence over the lien hereof; (f) to pay on demand all legal expenses, title searches, or attorney fees reasonably incurred or paid by the Mortgagee to collect the Note or foreclose or protect the lien of the Mortgage; (g) in the event the Mortgagor shall fail to comply with the provisions of (a) through (f) above, the Mortgagee may take such action as is necessary to remedy such failure and all sums paid by the Mortgagee pursuant hereto with interest at the rate hereinafter provided shall constitute a lien upon the Property, shall be secured by this Mortgage, and shall be immediately due and repayable to the Mortgagee; (h) if the Real Estate or any portion thereof shall be taken or damaged under the power of eminent domain, the award for any property so taken or damaged (including severance damages to the remaining premises) shall be paid to the Mortgagee and applied in full or in part at the option of the Mortgagee in reduction of the indebtedness hereby secured; (i) the Mortgagee shall have the right to inspect the Property at such reasonable times as the Mortgagee may desire to determine the Mortgagor's compliance with the covenants contained in this Mortgage; (j) the Mortgagee may release from the lien hereof any part of the above described Property without requiring any consideration therefor, and (k) Mortgagor is lawfully seized of the Real Estate in fee simple, the same is free from encumbrances except as may otherwise be specifically noted herein or waived in writing by the Mortgagee, Mortgagor will execute or procure any further necessary assurances of title and does hereby warrant generally the title to the Real Estate and will forever defend the same against the claims and demands of all persons whomsoever, and his separate estate, whether vested, contingent or in expectancy, is hereby conveyed and he does hereby expressly waive, release and relinquish all rights and benefits of any homestead, dower, curtesy, appraisement, exemption and stay laws of this state. It is agreed that the interest provided for in subsection (g) above shall be at the rate set forth in the Note for times when an event of default has occurred or the highest lawful rate permitted by contract under applicable law, whichever is lesser.

**SECOND.** If the Mortgagor shall default in the payment of the Note or in the performance of any of the covenants or agreements herein or in the Note or in any agreement collateral hereto contained, or if the then owner of the Property shall make an assignment for the benefit of creditors or shall file a petition for relief under the federal Bankruptcy Code as now or hereafter in effect, or any successor thereto, or shall be adjudicated bankrupt or insolvent, or if any receiver, liquidator or trustee shall be appointed for such then owner or any of his property, then in such event, the entire indebtedness hereby secured shall, at the option of the Mortgagee and without notice to the Mortgagor, be due and collectible at once by judicial foreclosure proceedings or as otherwise provided by law, or, when available under applicable

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statutes or rules of practice, by advertisement and sale, and in such an event this provision shall be deemed as authorizing and constituting a power of sale as mentioned in said statutes or rules; that in addition to the rights and remedies herein, the Mortgagee is hereby authorized and empowered at its option to exercise forthwith and from time to time any further rights and remedies available to the Mortgagee under the laws of the state wherein the Property is situate, such as the right to collect the rents, issues and profits, or to have a receiver appointed to collect the same.

**THIRD.** The following schedules are annexed hereto and made a part hereof (if no entry, this section is inapplicable): Exhibit "A" Legal Description, Exhibit "B" Personal Property, Exhibit "C" Federal Range Mortgage Rider and Exhibit "D" Forest Permit Mortgage Rider.

**FOURTH.** Mortgagor acknowledges that his/her current financial position is an important factor in Mortgagee's decision to advance the funds represented by the aforementioned Note. Mortgagor therefore has agreed, in order to provide assurance to Mortgagee with regard to Mortgagor's financial position, that it shall be an event of default for Mortgagor to allow any lien or encumbrance other than this Mortgage and the lien for taxes which are not yet due and payable to be placed on all or any part of the Real Estate and allowed to remain a lien for 30 day(s) EXCEPT a lien junior and inferior to this Mortgage may be placed on all or a part of said property in favor of N/A in a principal amount not to exceed ZERO DOLLARS (\$0) to be placed of record not later than N/A.

**FIFTH.** The covenants herein contained shall bind, and the benefits and advantages thereof shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. In this Mortgage, unless the context otherwise requires, words in the singular number include the plural and in the plural include the singular, and words in the masculine gender include the feminine and the neuter. Whenever the term "Mortgagor" shall include more than one person or entity, their liability hereunder shall be joint and several.

**SIXTH.** Mortgagor shall not suffer any waste of the Property and will not permit or conduct either the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act, or the disposal on the Real Estate of petroleum or any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, and will perform all remedial actions reasonably necessary as the result of the presence of any such hazardous wastes, petroleum or hazardous substances on, at or near the Real Estate. Mortgagor shall be personally liable for and agrees to indemnify, defend with counsel satisfactory to Mortgagee and hold Mortgagee harmless against any loss, damage, or liability suffered by the Mortgagee, including but not limited to attorney's fees, due to the presence of any such hazardous waste, petroleum or hazardous substance at, on or near the Real Estate, and Mortgagor shall be liable for compliance (and for costs associated therewith) with any directive or order by any governmental entity relating to the presence of any such hazardous waste, petroleum or hazardous substance on, at, or near the Real Estate. Mortgagor will deliver promptly to the Mortgagee, (i) copies of any documents received from the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning the Mortgagor's operations upon the Real Estate; and (ii) copies of any documents submitted by the Mortgagor to the United States Environmental Protection

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Agency or any state, county or municipal environmental or health agency concerning its operations on the Real Estate. Mortgagor agrees that, notwithstanding any provision to the contrary in this Mortgage, this indemnification and hold harmless shall survive the release or reconveyance of this Mortgage, whether pursuant to payment in full of the Note, or judicial or non-judicial foreclosure under this Mortgage, or otherwise.

**SEVENTH.** Mortgagor covenants and agrees to keep perfected and in good status any State of Idaho water permits or water company stock pertaining to water from all irrigation sources which is used in connection with the irrigation of the Real Estate. Mortgagor covenants and agrees to keep in good status any other existing or future water rights, licenses and/or permits which are used in connection with the irrigation of the Real Estate. Mortgagor agrees to complete appropriation and all other requirements necessary to obtain the issuance of a license for water permits issued to Mortgagor, in order that such water may legally be used and continue to be used for the irrigation of the Real Estate. Upon Mortgagor's failure to comply with the covenants and agreements set forth in this paragraph, Mortgagee, without prejudice to any other rights given herein, may at its option, either in its own name or in the name of Mortgagor, take any and all action necessary to protect and maintain the permits, licenses, water and water rights referred to herein. Mortgagor does hereby irrevocably constitute and appoint Mortgagee as Mortgagor's true and lawful agent and attorney with full power and authority, in the name of Mortgagor or otherwise, to take any and all action necessary to preserve and protect the permits, licenses, water and water rights referred to herein. Mortgagor covenants and agrees to promptly provide copies of all documents relating to such permitting and licensing process to Mortgagee.

**EIGHTH.** With respect to Property which may now or hereafter be characterized by law as personal property, this Mortgage shall constitute a Security Agreement between Mortgagor and Mortgagee, and, cumulative of all other rights of Mortgagee Hereunder, Mortgagee shall have all rights conferred upon secured parties by the Uniform Commercial Code ("UCC") as in effect from time to time in the state where the Collateral is located except to the extent the UCC provides for the application of the law of the state of location of the Mortgagor in which event the UCC as in effect from time to time, in such state shall apply. This Mortgage shall be effective as a Financing Statement filed as a fixture filing from the date of its filing for record in the Real Estate Records of the county in which the Real Estate is located. Until the lien of this Mortgage is released or satisfied of record, Mortgagor authorizes Mortgagee to file one or more financing statements and continuation statements describing the Collateral, hereby ratifies any such financing statement or continuation statement previously filed by Mortgagee, and agrees, if requested by Mortgagee so to do, to execute one or more Financing Statements covering such Collateral, in the manner and form required by law and to the satisfaction of Mortgagee. On demand, Mortgagor will promptly pay all costs and expenses of filing Financing Statements, continuation statements, partial releases and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such Collateral, and it is expressly agreed that if upon default Mortgagee should proceed to dispose of the Collateral in accordance with the provisions of the UCC ten (10) days' notice by Mortgagee to Mortgagor shall be

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deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option dispose of the Collateral in accordance with Mortgagee's rights and remedies in respect of the Real Estate pursuant to the provisions of this Mortgage in lieu of proceeding under the UCC. Mortgagor hereby warrants, represents and covenants that (a) the Collateral will be kept on or at the Real Estate described herein and Mortgagor will not remove the Collateral from the Real Estate without the prior written consent of Mortgagee, except such portions or items of Collateral which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor; (b) Mortgagor's chief executive officer or principal residence is Mortgagor's address set forth in the first paragraph of this Mortgage; (c) Mortgagor's state of organization, if applicable, is as set forth in the first paragraph of this Mortgage; and (d) Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage.

**NINTH.** It is understood and agreed that a material factor in inducing the Mortgagee to make this loan to the Mortgagor is the unique status of the agricultural industry and the expertise and financial strength of the Mortgagor. In the event the Mortgagor ceases to own the mortgaged property, the security for this loan is thereby deemed to be impaired. Consequently, in the event that all or any portion of the Real Estate is sold, contracted for sale, leased with the option to purchase, conveyed, alienated, transferred, or if the Mortgagor is a corporation, or a partnership, or a limited liability company more than forty-nine percent (49%) of either the corporation stock, partnership interests or member interests is sold, contracted for sale, conveyed, alienated, transferred, or otherwise disposed of, whether voluntary or involuntary, by operation of law or otherwise to persons other than owners at the date of this Mortgage and their heirs prior to the time the indebtedness secured hereby shall have been paid, then, at the option of the Mortgagee, the entire said indebtedness shall become due and payable and the Mortgagee may exercise any of its rights and remedies provided for in the Mortgage.

**TENTH.** Mortgagor, its successors and assigns and each of them, represent and warrant that the Property does not represent the proceeds of some form of unlawful activity under any state, federal or foreign law.

**ELEVENTH.** Mortgagor, its successors and assigns and each of them, represent and warrant that either:

(a) The Property does not contain and will not be cultivated to grow any variety of perennial crops, or plants, vines, trees, nuts and/or fruit that produce crops in more than one crop year (hereinafter "Permanent Plantings") that is or may be subject to intellectual property rights under U.S. or foreign patent, copyright or trademark laws, the Plant Variety Protection Act or similar laws or subject to license from the holder of any such intellectual property rights (all of the foregoing being hereinafter referred to as "IP Rights"); or

(b) To the extent the Property does contain or in the future is cultivated to grow any variety of Permanent Plantings that is or may be subject to IP Rights, Mortgagor represents and warrants that Mortgagor is or shall be the owner of such IP Rights free and clear of any claim, right, title, interest or lien of any other person, Mortgagor has or shall notify Mortgagee in writing of the existence of such IP Rights and Mortgagor does hereby, has or shall grant Mortgagee a

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D. H. H.

security interest in and a lien upon all of Mortgagor's right, title and interest in, to and under, whether now owned or hereafter created in IP Rights, all cash and non-cash proceeds and products of the IP Rights and all causes of action, past, present and future for infringement, misappropriation or dilution of any of the IP Rights or unfair competition regarding the same.

**IN WITNESS WHEREOF**, each of the undersigned has signed, sealed and delivered this Mortgage as of the day, month and year first above written.

In presence of:

FRED W. HUNZEKER & SONS,  
PARTNERSHIP

By: Dennis H. Hunzeker Partner  
Dennis H. Hunzeker, Partner

By: Roger G. Hunzeker Partner  
Roger G. Hunzeker, Partner

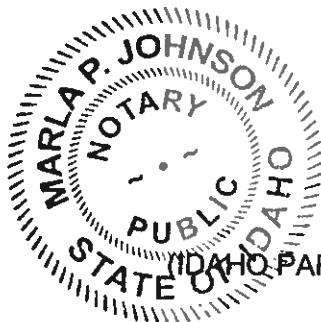
(IDAHO PARTNERSHIP ACKNOWLEDGMENT)

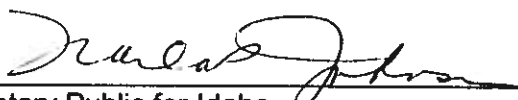
STATE OF IDAHO )  
 ) SS:  
COUNTY OF Bear Lake )

On this 29th day of July 2009, personally appeared DENNIS H. HUNZEKER, known or identified to me to be one of the partners in the partnership of See \*\*\* and the partner or one of the partners who subscribed said partnership name to the foregoing instrument and acknowledged to me that he/she executed the same in said partnership name.

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

(SEAL)



  
Notary Public for Idaho  
Residing at Ovid, Idaho  
My commission expires 7-7-10

(IDAHO PARTNERSHIP ACKNOWLEDGMENT)

STATE OF IDAHO )  
 ) SS:  
COUNTY OF Bear Lake )

On this 29th day of July 2009 personally appeared ROGER G. HUNZEKER, known or identified to me to be one of the partners in the partnership of See \*\*\*, and the partner or one of the partners who subscribed said partnership name to the foregoing instrument and acknowledged to me that he/she executed the same in said partnership name.

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

(SEAL)

  
Notary Public for Idaho  
Residing at Ovid, Idaho  
My commission expires 7-7-10

W1013Q RVSD 12-18-03

L:\MTG\_DOT\THIRD PARTY\ID\_MTG.DOC  
J:\LOANS\116335 - HUNZEKER\ID\_MTG.DOC



Initials R.G.H.  
D.H.H.

**Exhibit "A"**

**Legal Description**

**PARCEL NO. 1:**

Commencing at the Northeast Corner of Section 24, Township 13 South, Range 43 East of Boise Meridian in Idaho, and running thence South 89°17' West 2640 feet; thence North 87°30' West 1320 feet; thence South 1039.5 feet; thence East 3960 feet, more or less, to Section Line; thence North 990 feet, more or less, to the Place of Beginning.

ALSO: Commencing at the Northeast Corner of the West Half of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence West 363 feet; thence South 726 feet; thence East 181.5 feet; thence South 330 feet; thence East 181.5 feet; thence North 1056 feet to the Place of Beginning

ALSO: Commencing at the Northwest Corner of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 841.5 feet; thence East 1105.5 feet; thence North 841.5 feet; thence West 1105.5 feet to the Place of Beginning.

ALSO: Commencing at a point 990 feet South from the Northeast Corner of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 89°17' West 3960 feet (to point 1039.5 feet South from the Northwest Corner of Lot 1); thence South 330 feet; thence North 89°17' East 3960 feet; thence North 330 feet to the Point of Beginning.

ALSO: Commencing at a point 1056 feet South of the Northeast Corner of the West Half of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 330 feet; thence West 231 feet to Ovid Line; thence North along said Ovid line 330 feet; thence East 214.5 feet to the Point of Beginning.

ALSO: Commencing at a point 924 feet North of the Southeast Corner of the West Half of the Northwest Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence North 330 feet; thence West 231 feet (formerly incorrectly described as East 231 feet) to Ovid Line; thence South along said line 330 feet; thence East 239 feet (formerly incorrectly described as West 239 feet) to the Point of Beginning.

ALSO: Commencing at a point 1320 feet South from the Northwest Corner of the Northeast Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 89°17' West 1320 feet (to point 1369 feet South from the Northwest Corner of Lot 10); thence South 330 feet; thence North 89°17' East 1320 feet; thence North 330 feet to the Point of Beginning.

ALSO: Commencing at the Northwest Corner of the Southwest Quarter of the Northeast Quarter of Section 24, Township 13 South, Range 43 East of the Boise Meridian in Idaho, and running thence South 396 feet; thence East 1320 feet; thence North 396 feet; thence West 1320 feet to

the Place of Beginning.

PARCEL NO. 2:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 23: S $\frac{1}{2}$ S $\frac{1}{2}$ .

Section 26: N $\frac{1}{2}$ ; SW $\frac{1}{4}$ .

EXCEPT THEREFROM, the following described tract: Beginning at a point 1375 feet North and 500 feet West from the Southeast Corner of the NE $\frac{1}{4}$  of said Section 26, and running thence South 76° West 155 feet; thence South 14° East 562 feet; thence North 76° East 155 feet; thence North 14° West 562 feet to the point of beginning.

ALSO EXCEPT THEREFROM: Beginning at the Southeast corner of the NE $\frac{1}{4}$  of said Section 26, and running thence West 300 feet; thence North 300 feet; thence East 300 feet; thence South 300 feet to the Point of Beginning.

SUBJECT to a right of way for ingress and egress to the above excepted tract.

PARCEL NO. 3:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 15: S $\frac{1}{2}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ .

Section 20: Beginning at the Northeast Corner of Section 20, Township 13 South, Range 45 East of the Boise Meridian in Idaho; and running thence West along Section line 2500 feet, more or less, to an existing roadway and fenceline; thence Southwesterly along said roadway to a point 3190 feet West, more or less, from the Southeast Corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ ; thence East 3190 feet, more or less, to the Southeast Corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ ; thence North 1320 feet to the point of beginning.

Section 22: W $\frac{1}{2}$ NE $\frac{1}{4}$ ; SW $\frac{1}{4}$ NW $\frac{1}{4}$ ; E $\frac{1}{2}$ NW $\frac{1}{4}$ .

PARCEL NO. 4:

TOWNSHIP 13 SOUTH, RANGE 43 EAST OF THE BOISE MERIDIAN:

Section 13: Beginning at the Southwest Corner of the NW $\frac{1}{4}$  of Section 13, and running thence East 1155 feet; thence North 1320 feet; thence West 1155 feet; thence South 1320 feet to the point of beginning.

Section 14: Beginning at a point 503.58 feet East and 1197.90 feet North (the center of County Road East of Ovid) from the Southwest Corner of the SE $\frac{1}{4}$  of Section 14, and running thence South 482.46 feet; thence East 47.52 feet to North Creek; thence up said Creek following its

windings to South side of Section 14; thence South 89°55' East 2359.50 feet; thence North 1214.40 feet; thence North 89° West 2023.56 feet to North Creek; thence up said Creek to center of County Road; thence West 132 feet to the point of beginning. EXCEPT: Highway 89.

ALSO EXCEPT THEREFROM, the following described tracts:

1. Beginning at a point (on North Creek) 210 feet East of the Southwest Corner of the SE¼ of Section 14, and running thence East 240 feet; thence North 575 feet to center of North Creek; thence up North Creek following its windings to the point of beginning.

2. Beginning at the Northeast Corner of Lot 6 in Plat Book B at page 53, in Section 14, and running thence South 336 feet, more or less, to the bank of the Ovid Creek; thence 495 feet, more or less, in the Northeasterly direction along the meandering line of the Ovid Creek to a point on U.S. Highway No. 89 right of way, which point is 300 feet East of the point of beginning; thence West 300 feet to the point of beginning.

Section 23: Beginning at the Northeast Corner of Section 23, and running thence South 726 feet; thence North 66° West 584.1 feet; thence North 76°20' West 1900.80 feet; thence North 50°15' East 43.56 feet; thence East 2350.92 feet to the point of beginning.

ALSO: TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Section 7: Beginning at a point 1122.0 feet South from the Northwest Corner of the SW¼ of Section 7, and running thence North 76°15' East 1610.4 feet, more or less, to the East boundary line of Lot 3; thence South 1468.50 feet, more or less, to the North boundary line of the Oregon Short Line Railroad right of way; thence South 77°32' West along said right of way to the West boundary line of said Section 7; thence North 1456.125 feet, more or less, to the point of beginning. EXCEPT: Highway 89.

ALSO: Beginning at the South Quarter Corner of said Section 7, and running thence North 89°53' West 89 feet; thence North 6°30' West 650 feet, more or less, to the North boundary line of the Oregon Short Line Railroad right of way; thence Northeasterly to the point where said right of way intersects the East boundary line of the SW¼SE¼ of said Section 7; thence South 990 feet, more or less, to the Southeast Corner of said SW¼SE¼; thence West 1320 feet to the point of beginning.

ALSO: Section 10 & 15: Beginning at the center of Section 15, thence West 616.44 feet to the West line of Lot 2 of said Section 15; thence Northerly along the West boundary line of Lots 1 & 2 to the North line of said Section 15; thence West 820 feet, more or less, to the Easterly right of way line of the Oregon Short Line Railroad; thence Northerly along said right of way to the North line of Lot 3, Section 10; thence Easterly to a point which is 990 feet West, North 60°30' West 660 feet, North 7°30' West 462 feet from the Northeast Corner of the NW¼ of said Section 15; thence East 528 feet; thence North 33 feet; thence East 1460 feet; thence Southerly 734 feet; thence East 437 feet, more or less, to the West boundary line of the old U.S. Highway No. 30; thence Southerly along said right of way line to a point 1320 feet East and 808.5 feet North to the point of beginning; thence Southeast 990 feet more or less to a point 1854.5 feet East of the point of beginning; thence West 544.5 feet; thence South 1320 feet; thence West 1320 feet; thence North 1320 feet to the point of beginning. EXCEPT: All that portion lying Easterly of the

Montpelier-Preston Canal, SUBJECT TO right of way granted to the lender from old U.S. Highway No. 30 to the remainder of the property.

*cannot  
DO*  
ALSO EXCEPT THEREFROM, the following described tract: Beginning at a point 1320 feet East and 485 feet North of the center of Section 15; thence West 370 feet; thence North 500 feet; thence East 320 feet, more or less, to the old right of way line of U.S. Highway No. 30; thence Southeasterly along said right of way line to a point due East of the point of beginning; thence West to the point of beginning.

ALSO: Section 18: E $\frac{1}{2}$ NW $\frac{1}{4}$ ; W $\frac{1}{2}$ NE $\frac{1}{4}$ .

EXCEPT THEREFROM the following described tract: Beginning at a point on the South boundary line of the NW $\frac{1}{4}$  of Section 18, which bears South 88°53' East 1954 feet from the West Quarter Corner of said Section 18; and running thence South 88°53' East 93 feet; thence North 4°29' East 2654 feet to the North boundary of Section 18; thence North 88°53' West 80 feet; thence South 4°46' West 2655 feet to the point of beginning.

ALSO: TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 9: SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 10: S $\frac{1}{2}$ .

Section 11: W $\frac{1}{2}$ SW $\frac{1}{4}$ .

Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ .

Section 15: E $\frac{1}{2}$ ; N $\frac{1}{2}$ NW $\frac{1}{4}$ .

Section 22: NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

Section 23: N $\frac{1}{2}$ NW $\frac{1}{4}$ .

Section 24: SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; E $\frac{1}{2}$ SW $\frac{1}{4}$ ; W $\frac{1}{2}$ SE $\frac{1}{4}$ .

Section 25: W $\frac{1}{2}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; W $\frac{1}{2}$ SE $\frac{1}{4}$ ; SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 27: SW $\frac{1}{4}$ SW $\frac{1}{4}$ .

Section 28: SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$ .

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

PARCEL NO. 5:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 25: SW $\frac{1}{4}$ .

Section 26: SE $\frac{1}{4}$ .

PARCEL NO. 6:

TOWNSHIP 13 SOUTH, RANGE 43 EAST OF THE BOISE MERIDIAN

Section 13: N $\frac{1}{2}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

ALSO: Commencing at a point 70 rods East from the Southwest Corner of the Northwest Quarter of Section 13, Township 13 South, Range 43 East of the Boise Meridian, and running thence East 70 rods; thence North 80 rods; thence West 70 rods; thence South 80 rods to the place of beginning.

EXCEPTING THE FOLLOWING: Commencing at a point 25 chains East from the Southwest Corner of the Northwest Quarter of Section 13, Township 13 South, Range 43 East, Boise Meridian in Idaho; running thence East 10 chains; thence North 9.26 chains, more or less, to County Road; thence in a Southwesterly direction along said County Road 14 chains, more or less, to place of beginning.

ALSO: Section 13: N $\frac{1}{2}$ SE $\frac{1}{4}$ ; N $\frac{1}{2}$ SW $\frac{1}{4}$ .

EXCEPTING THE FOLLOWING: Any portion of the above described property lying within the Right of Way line of U.S. Highway 89.

PARCEL NO. 7:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 20: SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 29: N $\frac{1}{2}$ NW $\frac{1}{4}$ .

Section 30: Beginning at a point 15.30 chains South of the Northeast Corner of Section 30, and running thence North 75 links; thence West 18.75 chains; thence South 12°25' East 75 links; thence East 18.67 chains to the Point of Beginning.

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

ALSO:

Section 20: SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 21: SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{2}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; N $\frac{1}{2}$ S $\frac{1}{2}$ .

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

PARCEL NO. 8:

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 20: SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 29: NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; S $\frac{1}{2}$ N $\frac{1}{2}$ ; S $\frac{1}{2}$ .

EXCEPT THEREFROM: Beginning at the Southwest Corner of said Section 29, and running thence South 89°54' East 840 feet, more or less, along the South line of said Section 29; thence North 4060 feet, more or less, paralleling the West line of said Section 29; thence meandering in a Northwesterly direction along the Southwest edge of a private road 990 feet, more or less;

thence South 4350 feet, more or less, along the West line of said Section 29 to the Point of Beginning.

Section 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

ALSO: Beginning at the North Quarter Corner of said Section 32, and running thence North 89°54' West 500 feet to a point on the North line of said Section 32; thence South 37°08' East along the Northeasterly and the Northerly boundary of existing road, known as old Emigration Road to a point on the South line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 32; thence East along the said South line to the Southeast Corner of said NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; thence North along the East line of NW $\frac{1}{4}$ NE $\frac{1}{4}$  to a point on the North line of said Section 32; thence North 89°54' West to the Point of Beginning.

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

ALSO:

TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Section 15: All that portion of Lots 3, 7 and 8, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  lying Easterly of the Easterly right of way line of the Oregon Shortline Railroad as presently located.

TOWNSHIP 13 SOUTH, RANGE 45 EAST OF THE BOISE MERIDIAN:

Section 20: SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Section 21: S $\frac{1}{2}$ S $\frac{1}{2}$ .

Section 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$ .

Section 29: NE $\frac{1}{4}$ NE $\frac{1}{4}$ .

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining. An undivided  $\frac{1}{2}$  interest in and to all oil, mineral and gas rights having heretofore been reserved by the predecessors in interest, and undivided  $\frac{1}{4}$  interest is hereby reserved by parties of the first part herein.

ALSO:

TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Section 15: All that portion of Lot 6 lying Easterly of the Easterly right of way line of the Oregon Shortline Railroad as presently located.

ALSO: All that portion of Lots 3, 6, 7 & 8 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  lying in and upon the East Half of the Oregon Shortline Railroad as presently located.

TOGETHER with an undivided  $\frac{1}{4}$  interest in and to all oil, gas and mineral rights thereto and pertaining.

PARCEL NO. 9:

TOWNSHIP 13 SOUTH, RANGE 44 EAST OF THE BOISE MERIDIAN:

Sections 7, 18 and 19: Beginning at a point 600 feet West and South 1980 feet from the Northeast corner of Lot 2 of said Section 19, and running thence North 5940 feet; thence North 4°46' East 3000 feet, more or less, to the North line of the Oregon Short Line Railroad right of way; thence South 76°15' West along said right of way 1254 feet, more or less, to the West line of said Section 7; thence South 8620 feet, more or less, to a point 1100 feet, more or less, West of the point of beginning; thence East 1100 feet, more or less, to the Point of Beginning.

EXCEPT THEREFROM that portion thereof lying within the following described tract, to-wit: Beginning at a point which is 98.4 feet West of the Northeast Corner of Lot 3 of said Section 18, and running thence West 530 feet; thence North 4°46' East 2649 feet to the North line of Lot 1 of said Section 18; thence East 390 feet along the said North line of Lot 1; thence South 1600 feet; thence South 4°46' West 1050 feet to the Point of Beginning.

*R. B. H.*  
*D. H. H.*

**Exhibit "B"**

**Personal Property**

**Water Rights.**

All water rights represented by Permit, License or Statutory Claim Nos. 11-4095, 11-4210, 11-4111, 4112, 11-4113, 11-7105, 11-7257, 11-7585 and 11-7586 issued by the Idaho Department of Water Resources.

**Exhibit "C"**

**FEDERAL RANGE MORTGAGE RIDER**

The mortgagor does further covenant and agree with the mortgagee:

1. To be the lawful owner and holder of grazing leases and permits under the provisions of the Taylor Grazing Act [Title 43 U.S.C.A. Sections 315 to 315(p)], which are described as follows:

Two (2) permits in the state of Wyoming: (i) a permit to graze 59 AUM's in the Grazing District No. 13022 Lombard Allotment; and (ii) a permit to graze 548 AUM's in the Grazing District No. 13025 Gasson Allotment.

Two (2) permits in the state of Idaho: (i) a permit to graze 58 AUM's in the Grazing District No. 04107 Sheep Creek Hills 1 Allotment; and (ii) 698 AUM's in the Grazing District No. 04185 Sheep Creek Hills 2 Allotment.

2. To pay all rent or charges due under the terms of said leases and permits, or any renewal or extension thereof, or by the rules and regulations of the United States Department of Interior or the laws of the United States.
3. To perform and observe all the covenants, conditions, and stipulations contained in said leases and permits, or renewals or extensions thereof; to comply with the rules and regulations of the Department of Interior and the laws of the United States applicable to said leases and permits.
4. To make application and do any and all things necessary to obtain extension or renewal of said leases and permits during the term of this mortgage.
5. To execute to the mortgagee, at such time as the mortgagee may require, an assignment or assignments of said leases and permits or any renewal or extension thereof, in such form as may be satisfactory to the mortgagee.
6. That in the event the mortgagor fails to pay when due any rent or charges payable under said leases and permits, or renewals or extensions thereof, or under the rules and regulations of the Department of Interior or the laws of the United States, mortgagee may make such payment and the amount paid therefor shall become a part of the indebtedness secured by the lien of this mortgage and bear interest from the date of payment at the same rate as specified in the note secured hereby on the principal thereof after default and maturity.
7. That in the event the mortgagor fails to perform all and singular the covenants, conditions and agreements contained in the mortgage including this rider, or upon receipt by the mortgagee of notice of the mortgagor's failure to comply with the terms of

said leases and permits, the regulations of the United States Department of Interior or the laws of the United States applicable thereto, then the mortgagee may exercise any or all rights provided by the terms of the mortgage to which the rider is attached in case of any default on the part of the mortgagor.

8. That this rider shall be a part of the mortgage to which is attached, to the same extent as if it were set out in full therein.

Initials RRH  
OKH

**Exhibit "D"**

**FOREST PERMIT MORTGAGE RIDER**

The Mortgagor does further covenant and agree with the Mortgagee:

1. To be lawfully entitled to certain grazing privileges in the United States National Forest and/or United States National Grassland described in the Escrow Waiver referred to herein, said privileges to be evidenced by United States Department of Agriculture grazing permit or permits described in the Escrow Waiver or Waivers of Term Grazing Permit Privileges (Form FS-2200-13) executed in connection with this mortgage, and filed with the Forest Supervisor of said National Forest or Grassland. All of the terms, conditions and provisions of said Waiver are hereby made a part of this instrument to the same effect as if fully set forth herein.
2. To execute any waiver of grazing privileges, as defined by the regulations of the Department of Agriculture, and any other documents or forms which the mortgagee may require in order to protect its interest in said grazing privileges.
3. To pay all fees and charges due or to become due under the terms of the above described permit or any renewals thereof in the manner provided in said permit or renewals, or by the laws of the United States, or by the rules and regulations of the United States Department of Agriculture.
4. To so manage and operate the property included in this mortgage and any other property upon which said grazing privileges are based, and to so conduct and maintain his livestock operations that said permit or any renewal thereof will not be subject to cancellation or modification because of reduced livestock carrying capacity of the mortgagor's property, or for any other reason.
5. To make application for renewal of said grazing permit and to do any and all other things that may be necessary to prevent any impairment of the grazing rights under said permit, or any renewals thereof, throughout the term of this mortgage.
6. That in the event the mortgagor fails to pay when due any fees or sums payable by the terms of said grazing permit, or any renewal thereof, or under the laws of the United States or regulations of the United States Department of Agriculture; or in the event the aforesaid grazing privileges become subject to cancellation or modification because of the failure of the mortgagor to maintain sufficient livestock, or the necessary improvements, or for any other reason, the mortgagee, at its option, may pay such fees or sums, or provide the necessary livestock or improvements, or whatever may be necessary to maintain said grazing privilege in a status satisfactory to the mortgagee, and the amounts paid or incurred in connection therewith shall become a part of the indebtedness secured by the lien of this mortgage and bear interest from the date of payment at the same rate as specified in the note secured hereby on the principal thereof after default and maturity.

Initials BRB  
D. H. H.

7. That in the event the mortgagor fails to perform all and singular the covenants, conditions, and agreements contained in this mortgage, including this rider, or upon receipt by the mortgagee of notice from the Forest Supervisor of the said National Forest or Grassland , or otherwise, of the mortgagor's failure to comply with the terms of said grazing permit or renewals thereof, the laws of the United States or the regulations of the United States Department of Agriculture applicable thereto, then the mortgagee may exercise any or all rights provided for by the terms of the mortgage to which this rider is attached in case of any default on the part of the mortgagor.
8. That this rider shall be a part of the mortgage to which it is attached, to the same extent as if it were set out in full therein.

Initials         B. G. H.          
        D. H. H.