

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

RECEIVED
FEB 12 2008
DEPT. OF WATER RESOURCES
SOUTHERN REGION

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): see attached

Adjudication Claim No(s): see attached

2. The following **REQUIRED** information must be submitted with this form:

A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION**.

B) A **FEE of \$25.00 per water right** or adjudication claim.

3. Name and Mailing Address of Person or Company holding Security Interest

Wells Fargo Bank, N.A.
3033 Elder Street
MAC U1851-015 Attn: Collateral
Boise, Idaho 83705

4. Name of Water Right Owner/Claimant(s): Schenk Land & Cattle L.P.

5. Expiration Date of Notification Period: February 8, 2023

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

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

Della Schenk

For Office Use Only

Received by <u>[Signature]</u>	Date <u>2/12/08</u>	Fee <u>\$375</u>
Received by <u>[Signature]</u>	Date <u>2/13/08</u>	Receipt No. <u>SO 30007</u>
Processed by _____	AJ Date _____	WR _____ Date _____

SUPPORT DATA

IN FILE # 45-703

Idaho Department of Water Resources Nos.:

45-13794

45-2512

45-4027

45-697 - *not claimed*

45-698

45-699 → *Combined into 45-12444*

45-4024

45-4025 → *Combined into 45-12450*

45-4009

45-4141 - *not claimed*

45-703

45-4013B

45-12444

45-12447

45-12450

RECORDATION REQUESTED BY:

Wells Fargo Bank, National Association
 Burley Banking Center
 130 East Main Street
 MAC #U1818-011
 Burley, ID 83318

CASSIA COUNTY

RECORDED FOR:

LAND TITLE AND ESCROW
 4:25:13 pm 02-08-2008
2008-000945

NO. PAGES: 18

FEE: \$54.00

LARRY A. NICKELSEN
 COUNTY CLERK

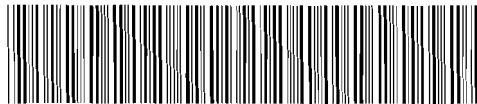
DEPUTY: VIKI

WHEN RECORDED MAIL TO:

Wells Fargo Bank, National Association
 BBG- Boise Loan Operations Center, MAC #U1851-015
 3033 Elder Street
 Boise, ID 83705

44570

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



200093401936900490

MORTGAGE

THIS MORTGAGE dated February 6, 2008, is made and executed between Schenk Land & Cattle L.P., an Idaho limited partnership (referred to below as "Grantor") and Wells Fargo Bank, National Association, whose address is 130 East Main Street, MAC #U1818-011, Burley, ID 83318 (referred to below as "Lender").

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

See the exhibit or other description document which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as farm land located in Cassia County, Oakley, ID 83346. The Real Property tax identification number is see Exhibit B.

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

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

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

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

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

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

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

suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain

such insurance for the term of the loan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens

section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Death or Insolvency. The dissolution or termination of Grantor's existence as a going business or the death of any partner, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

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

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

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

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

Insecurity. Lender in good faith believes itself insecure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FURTHER ASSURANCES. The parties hereto agree to do all things deemed necessary by Lender in order to fully document the loan evidenced by this Note and any related agreements, and will fully cooperate concerning the execution and delivery of security agreements, stock powers, instructions and/or other documents pertaining to any collateral intended to secure the Indebtedness. The undersigned agree to assist in the

cure of any defects in the execution, delivery or substance of the Note and related agreements, and in the creation and perfection of any liens, security interests or other collateral rights securing the Note.

CONSENT TO SELL LOAN. The parties hereto agree: (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; and (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender.

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

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, Legal or equitable, now existing or hereafter arising, relating in any way to this Agreement or any related agreement incorporating this Arbitration Program (the "Documents"), or any past, present, or future loans, transactions, contracts, agreements, relationships, incidents or injuries of any kind whatsoever relating to or involving Business Banking, Regional Banking, or any successor group or department of Lender. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the AAA (American Arbitration Association), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Credit. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Arbitration may be demanded at any time, and may be compelled by summary proceedings in Court. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief. The arbitrator shall award all costs and expenses of the arbitration proceeding. Nothing contained herein shall be deemed to be a waiver by any party that is a Bank of the protections afforded to it under 12 U.S.C. § 91 or any similar applicable state law.

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

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

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the Dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. The resolution of any Dispute shall be determined by a separate arbitration proceeding and such Dispute shall not be consolidated with other disputes or included in any class proceeding. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

F. State-Specific Provisions.

If California law governs the Dispute, the following provision is included. **Real Property Collateral; Judicial Reference:** Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly,

in whole or in part, by any real property unless the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration. If any such Dispute is not submitted to arbitration, the Dispute shall, at the election of any party, be referred to a referee in accordance with California Code of Civil Procedure Section 638 et seq., and this general reference agreement is intended to be specifically enforceable in accordance with said Section 638. A referee with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a referee shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645.

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

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

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

If Utah law governs the Dispute, the following provision is included. **Real Property Collateral; Judicial Reference:** Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration. If any such Dispute is not submitted to arbitration, the Dispute shall, at the election of any party, be referred to a master in accordance with Utah Rule of Civil Procedure 53, and this general reference agreement is intended to be specifically enforceable. A master with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a master shall be entered in the court in which such proceeding was commenced in accordance with Utah Rule of Civil Procedure 53(e).

DEFINITION OF INDEBTEDNESS. The definition of "Indebtedness" herein includes, without limitation, all liability of Borrower or other party having its obligations to Lender secured by this Mortgage, whether liquidated or unliquidated, defined, contingent, conditional or of any other nature whatsoever, and performance of all other obligations, arising under any swap, derivative, foreign exchange or hedge transaction or arrangement (or other similar transaction or arrangement howsoever described or defined) at any time entered into with Lender in connection with the Note.

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

LEASES AND RENTS. Grantor/Trustor/Mortgagor's present assignment to Lender hereunder of all present and future leases includes all leases, licenses, rental agreements and other agreements of any kind relating to the use or occupancy of any of the Property, together with all guarantees of and security for any tenant's performance, and all extensions, renewals and modifications thereto (as used in this paragraph, each, a "Lease" and collectively, the "Leases"), together with any and all Rents from the Property. This assignment shall not impose upon Lender any duty to produce Rents, nor cause Lender to be a "mortgagee in possession," or responsible for performing any of the obligations of the lessor under any Lease. Lender confers upon Grantor/Trustor/Mortgagor a license to collect and retain the Rents as they come due, until the occurrence of any Event of Default, at which time the license shall be automatically revoked, and Lender, or its designated agent may, at its option and without notice, make, cancel, enforce or modify any Lease or Rents, collect Rents and do any acts which Lender deems proper to protect the security hereof or exercise any other right or remedy hereunder. Grantor/Trustor/Mortgagor represents and warrants that there exists no material default under present Leases and that those Leases are in full force and effect. Lender, at its option and without notice, may notify any tenant of this assignment of the Leases and Rents. Grantor/Trustor/Mortgagor agrees, at its expense, (i) to comply with and enforce all the terms and conditions under each Lease, and defend in any action in connection with any Lease; (ii) not to modify any Lease in any material respect, nor accept surrender under or terminate the term of any Lease, nor waive or release any tenant under any Lease; (iii) not to anticipate the Rents under any Lease; and (iv) to give prompt notice to Lender of any default by any tenant under any Lease, and of any notice of default on the part of Grantor/Trustor/Mortgagor under any Lease received from a tenant. Should Grantor/Trustor/Mortgagor fail to do any act required to be done by Grantor/Trustor/Mortgagor hereunder, then Lender, at its option and without notice, may make or do the same in such manner and to such extent as Lender deems necessary to protect the security hereof. Grantor/Trustor/Mortgagor agrees to pay to Lender immediately upon demand all sums expended under the authority hereof, including reasonable attorneys' fees, together with interest thereon at the highest rate per annum payable under any Indebtedness, and the same, at Lender's option, may be added to the Indebtedness and secured hereby.

WATER RIGHTS. Together with all water rights, ditch and ditch rights, etc. now owned or hereafter acquired, in whatever manner and identified by whatever document, including substitution, amendments or replacements to such documentation in any form or manner including, but not limited to, the following: Decreed Water - Idaho Department of Water Resources No. 45-13794, 45-2512, 45-4027, 45-697, 45-698, 45-699, 45-4024, 45-4025, 45-4009, 45-4141, 45-703, 45-4013B, 45-12444, 45-12447, & 45-12450.

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

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

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

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

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

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

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

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

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

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

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

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

Borrower. The word "Borrower" means Schenk Land & Cattle L.P. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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

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

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

Grantor. The word "Grantor" means Schenk Land & Cattle L.P..

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

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

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

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

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

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

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

Note. The word "Note" means the promissory note dated February 6, 2008, in the original principal amount of \$3,225,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

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

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

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

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

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

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

GRANTOR:

SCHENK LAND & CATTLE L.P.

ROBERT SCHENK FEEDLOT, INC., General Partner of Schenk Land & Cattle L.P.

By:

Robert W. Schenk
Robert W. Schenk, President of Robert Schenk
Feedlot, Inc.

PARTNERSHIP ACKNOWLEDGMENT

STATE OF Idaho

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COUNTY OF Cassia

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On this 8th day of February, in the year 20 08, before me Larry Roberts, a notary public in and for the State of Idaho, personally appeared Robert W. Schenk, President of Robert Schenk Feedlot, Inc., General Partner of Schenk Land & Cattle L.P., known or identified to me (or proved to me on the oath of _____), to be one of the partners or designated agents in the partnership of Schenk Land & Cattle L.P., and the partner or designated agent or one of the partners or designated agents who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he or she executed the same in said partnership name.

Larry Roberts
Notary Public for Idaho

My commission expires 06-30-2009

Residing at Burley, ID 83318

Larry Roberts
Notary Public
State of Idaho

EXHIBIT 'A'

PARCEL NO. 1:

TOWNSHIP 12 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 36: ALL

EXCEPTING THEREFROM the following described tract:

Beginning at the Southwest corner of said Section, said corner marked by a U.S. Government pipe with brass cap which shall be the Point of Beginning.
Thence North 0°32'19" East (North recorded) along section line for 403.95 feet (401' +/- recorded) to a ½ inch rebar; said rebar lying South 0°32'19" West for 2239.00 feet from the Northwest corner of the SW¼ of Section 36;
Thence South 89°11'59" East for 1336.55 feet to a ½ inch rebar on the East line of the SW¼SW¼;
Thence South 0°17'04" West along the 1/16th section line for 401.55 feet to a ½ inch rebar at the Southeast corner of the SW¼SW¼;
Thence North 89°18'11" West along section line for 1338.32 feet to the Point of Beginning.

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 1: Lots 1, 2, 3, SE¼NW¼, SW¼NE¼ and that portion of the SE¼NE¼ lying North and West of the existing county road.

ALSO part of the NW¼SE¼, more particularly described as follows:

Beginning at the Center ¼ section corner of said Section 1, said point marked by a U.S. Government Brass Cap which shall be the Point of Beginning;
Thence South 89°51'53" East along the quarter section line for 1306.96 feet to a point, said point lying North 89°51'53" West for 20.00 feet from the Northeast corner of the NW¼SE¼;
Thence South 55°45'10" West for 1466.25 feet to a point;
Thence North 48°25'36" West for 132.94 feet to a point on the quarter section line;
Thence North 0°21'00" East along said quarter section line for 740.04 feet to the Point of Beginning.

EXCEPTING THEREFROM the following described tracts:

Tract No. 1:

The South 503 feet of the following described property:

Beginning at a point 330 feet West of the Southeast corner of Lot 1 of said Section 1;
Thence running West 330 feet;
Thence running North 229 feet;
Thence in a Northeasterly direction to a point which is 374.46 feet West of the Northeast corner of said Lot 1;
Thence East 187.23 feet;
Thence in a Southwesterly direction to a point 229 feet North of the Point of Beginning;
Thence South 229 feet to the Point of Beginning.

Tract No. 2:

Beginning at the Southeast corner of Lot 1 of said Section 1, said corner marked by a 5/8 inch rebar; Thence North 89°44'28" West along the South line of Lot 1 for a distance of 162.03 feet to the Point of Beginning;
Thence North 89°44'28" West continuing along said line for a distance of 167.97 feet to the Southeast corner of Joel Elquist property;
Thence North 00°12'25" East along the East side of the Joel Elquist property for a distance of 229.00 feet;
Thence North 07°39'29" East continuing along said property line for a distance of 276.30 feet;
Thence South 89°44'28" East for a distance of 272.48 feet to a ½ inch rebar;
Thence South 89°44'28" East for a distance of 21.69 feet to a point of the East section line;
Thence South 00°12'25" West along said line for a distance of 401.58 feet;
Thence North 88°21'57" West for a distance of 21.46 feet to a ½ inch rebar;
Thence North 88°21'57" West for a distance of 136.71 feet to a ½ inch rebar;
Thence South 02°20'12" West for a distance of 98.67 feet to a ½ inch rebar;
Thence South 02°20'12" West for a distance of 6.61 feet to the Point of Beginning.

Tract No. 3:

Beginning at the Southeast corner of Lot 1 of said Section 1, said corner marked by a 5/8 inch rebar which shall be the Point of Beginning;
Thence North 89°44'28" West along the South line of Lot 1 for a distance of 162.03 feet;
Thence North 02°20'12" East for a distance of 6.61 feet to a ½ inch rebar;
Thence North 02°20'12" East for a distance of 98.67 feet to a ½ inch rebar;
Thence South 88°21'57" East for a distance of 136.71 feet to a ½ inch rebar;
Thence South 88°21'57" East for a distance of 21.46 feet to a point on the East section line;
Thence South 00°12'25" West along said line for a distance of 101.42 feet to the Point of Beginning.

Tract No. 4:

Beginning at the Southeast corner of Lot 1 of said Section 1, said corner marked by a 5/8 inch rebar which shall be the Point of Beginning;
Thence South 44°40'58" West along the centerline of a county road for a distance of 1850.50 feet to the South line of the SE¼NE¼;
Thence North 89°50'22" West along said line for a distance of 23.91 feet;
Thence North 00°30'47" East for a distance of 22.87 feet to a ½ inch rebar;
Thence North 00°30'47" East for a distance of 1309.91 feet to a ½ inch rebar;
Thence South 89°19'32" East for a distance of 332.40 feet to a ½ inch rebar;
Thence North 14°01'03" East for a distance of 434.56 feet to a ½ inch rebar;
Thence South 89°44'28" East for a distance of 269.85 feet to a ½ inch rebar;
Thence South 14°50'53" West for a distance of 208.54 feet to a ½ inch rebar;
Thence South 00°12'25" West for a distance of 229.00 feet to a ½ inch rebar on the South line of Lot 1;
Thence South 89°44'28" East along said line for a distance of 660.00 feet to the Point of Beginning.

Section 12: E½SE¼

Section 13: NE¼NE¼

PARCEL NO. 2:

TOWNSHIP 12 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 31: Lot 4 and SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPT the following described tract:

Beginning at the Northeast corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 31, which shall be the Point of Beginning;
Thence South 0°28'08" East along the section line for 629.34 feet to a $\frac{1}{2}$ inch rebar;
Thence North 45°23'41" West for 901.29 feet to a point on the 1/16th section line;
Thence South 89°40'39" East along said 1/16th section line for 636.54 feet to the Point of Beginning.

Section 31: Part of Lot 2, more particularly described as follows:

Beginning at the W $\frac{1}{4}$ section corner of said Section 31, said point marked by a $\frac{5}{8}$ inch rebar which shall be the Point of Beginning;
Thence North 0°05'26" West along section line for 972.66 feet to a $\frac{1}{2}$ inch rebar;
Thence South 33°43'04" East for 1175.54 feet to a point on the $\frac{1}{4}$ section line;
Thence North 89°32'52" West along said $\frac{1}{4}$ section line for 651.03 feet to the Point of Beginning.

Section 31: Part of the NE $\frac{1}{4}$ SE $\frac{1}{4}$, more particularly described as follows:

Southwest

Beginning at the Southeast corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 31; Thence North 89°40'39" West along the 1/16th section line for 636.54 feet to a point which shall be the Point of Beginning;
Thence North 89°40'39" West along the 1/16th section line for 681.47 feet to a point at the corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence North 0°16'46" West along the West line of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ for 530.71 feet to a point; said point lying South 0°16'46" East for 787.28 feet from the Northwest corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence North 73°44'12" East for 114.22 feet to a $\frac{1}{2}$ inch rebar;
Thence South 45°23'41" East for 806.77 feet to the Point of Beginning.

Section 31: Lot 3, EXCEPT the following described tract:

Thence

Beginning at the W $\frac{1}{4}$ section corner of said Section 31, said point marked by a $\frac{5}{8}$ inch rebar;
Thence South 89°32'52" East along the $\frac{1}{4}$ section line for 651.03 feet to a point which shall be the Point of Beginning;
Thence South 89°32'52" East along said $\frac{1}{4}$ section line for 662.66 feet to a point at the Northeast corner of Lot 3;
Thence South 0°16'46" East along the East line of Lot 3 for 787.28 feet to a point; said point being North 0°16'46" West for 530.71 feet from the Southeast corner of Lot 3;
Thence South 73°44'12" West for 119.97 feet to a $\frac{1}{2}$ inch rebar;
Thence North 33°43'04" West for 993.16 feet to the Point of Beginning.

PARCEL NO. 3:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: Lots 1, 2, 3, 4, 5, E $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, EXCEPTING THEREFROM the following described tract:

Beginning at the Southwest corner of Lot 2 of said Section 6, said corner marked by a 5/8 inch rebar which shall be the Point of Beginning;

Thence North 00°12'25" East along the West section line for a distance of 254.14 feet;

Thence South 87°52'46" East for a distance of 56.65 feet to a ½ inch rebar;

Thence South 87°52'46" East for a distance of 778.95 feet to a ½ inch rebar;

Thence South 00°12'25" West for a distance of 219.59 feet to a ½ inch rebar on the South line of Lot 2;

Thence South 89°45'03" West along said line for a distance of 835.16 feet to the Point of Beginning.

Section 7: Lots 1, 2, 3, 4, NE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 18: Lot 1

PARCEL NO. 4:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 1: Part of Lot 1, more particularly described as follows:

Beginning at the Southeast corner of Lot 1 of said Section 1, said corner marked by a 5/8 inch rebar which shall be the Point of Beginning;

Thence North 89°44'28" West along the South line of Lot 1 for a distance of 162.03 feet;

Thence North 02°20'12" East for a distance of 6.61 feet to a ½ inch rebar;

Thence North 02°20'12" East for a distance of 98.67 feet to a ½ inch rebar;

Thence South 88°21'57" East for a distance of 136.71 feet to a ½ inch rebar;

Thence South 88°21'57" East for a distance of 21.46 feet to a point on the East section line;

Thence South 00°12'25" West along said line for a distance of 101.42 feet to the Point of Beginning.

PARCEL NO. 5:

Mainline Easement more particularly described as follows:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 1: Part of Lot 1, more particularly described as follows:

Beginning at the Southeast corner of Lot 1 of said Section 1, said corner marked by a 5/8 inch rebar; Thence North 00°12'25" East along the East section line for a distance of 101.42 feet to the Point of Beginning;

Thence North 88°21'57" West for a distance of 13.48 feet;

Thence North 43°46'08" East for a distance of 19.56 feet to a point on the East section line;

Thence South 00°12'25" West along said line for a distance of 14.51 feet to the Point of Beginning.

PARCEL NO. 6:

Mainline Easement more particularly described as follows:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: Part of Lot 2, more particularly described as follows:

Beginning at the Southwest corner of Lot 2 of said Section 6, said corner marked by a 5/8 inch rebar;
Thence North 00°12'25" East along the West section line for a distance of 101.42 feet to the Point of Beginning;
Thence North 00°12'25" East continuing along said line for a distance of 14.51 feet;
Thence North 43°46'08" East for a distance of 184.86 feet;
Thence South 87°52'46" East for a distance of 13.38 feet;
Thence South 43°46'08" West for a distance of 204.27 feet to the Point of Beginning.

PARCEL NO. 7:

Mainline Easement more particularly described as follows:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 1: Part of the E½NE¼, more particularly described as follows:

Beginning at the Northeast corner of SE¼NE¼ of said Section 1, said corner marked by a 5/8 inch rebar;
Thence North 89°44'28" West along the North line of SE¼NE¼ for a distance of 84.03 feet to the Point of Beginning;
Thence South 42°25'24" East for a distance of 60.09 feet to the centerline of a county road;
Thence South 44°40'58" West along said centerline for a distance of 10.01 feet;
Thence North 42°25'24" West for a distance of 56.21 feet;
Thence North 89°44'28" West for a distance of 571.64 feet;
Thence North 89°10'56" West for a distance of 342.53 feet;
Thence North 00°40'28" East for a distance of 15.54 feet;
Thence South 89°19'32" East for a distance of 10.00 feet;
Thence South 00°40'28" West for a distance of 5.56 feet;
Thence South 89°10'56" East for a distance of 332.50 feet to a ½ inch rebar on the South line of Lot 1;
Thence South 89°44'28" East along said line for a distance of 575.97 feet to the Point of Beginning.

PARCEL NO. 8:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 5: SE¼NE¼

PARCEL NO. 9:

TOWNSHIP 12 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 32: NE¼SE¼

PARCEL NO. 10:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 4: Part of the NW¼, more particularly described as follows:

Beginning at the Northwest section corner of said Section 4, said corner marked by a 5/8 inch rebar with a 3 inch cap on top which shall be the Point of Beginning;
Thence South 88°51'15" East along the North line of Section 4 for a distance of 2515.36 feet to the South ¼ section corner of Section 33 of Township 12 South, Range 22 East, marked by a 5/8 inch rebar with a 3 inch cap on top;
Thence South 88°51'15" East along the North line of Section 4 for a distance of 73.71 feet to a ½ inch rebar on the West right of way of State Highway 27;
Thence South 00°45'54" East along said right of way for a distance of 24.01 feet to a highway right of way marker, sta. 316+15.4;
Thence South 00°45'54" East continuing along said right of way for a distance of 2467.72 feet to a ½ inch rebar;
Thence North 89°31'16" West for a distance of 233.35 feet to a ½ inch rebar;
Thence South 00°45'54" East for a distance of 233.35 feet to a ½ inch rebar on the South line of the NW¼ of Section 4;
Thence North 89°31'16" West along said line for a distance of 2391.69 feet to the West ¼ section corner of Section 4 marked by a 5/8 inch rebar;
Thence North 00°00'01" East for a distance of 2754.67 feet to the Point of Beginning.

PARCEL NO. 11:

An Access Easement executed by J Allen Woodhouse, Kent Woodhouse, and Kirk Woodhouse as the Personal Representatives of the Estate of Trafford V. Woodhouse, deceased, and Ruth Woodhouse, a widow, to Kent Woodhouse and Diane Woodhouse, husband and wife, dated March 15, 2001 and recorded March 23, 2001 as Instrument No. 274070, records of Cassia County, Idaho, over and across the following:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 8: Part of the NW¼, more particularly described as follows:

Beginning at the Northwest section corner of said Section 8, said corner marked by a 5/8 inch rebar with a 3 inch cap on top; Thence South 00°08'43" East along the West section line for a distance of 1062.39 feet to the Point of Beginning;
Thence South 85°09'00" East for a distance of 131.91 feet;
Thence South 39°08'39" East for a distance of 310.63 feet;
Thence South 88°37'55" East for a distance of 1864.07 feet;
Thence South 04°04'35" West for a distance of 30.03 feet;
Thence North 88°37'55" West for a distance of 1876.48 feet;
Thence North 39°08'39" West for a distance of 311.72 feet;
Thence North 85°09'00" West for a distance of 116.55 feet to the West section line;
Thence North 00°08'43" West along said line for a distance of 30.11 feet to the Point of Beginning.

PARCEL NO. 12:

A Well and Pipeline Easement executed by J Allen Woodhouse, Kent Woodhouse and Kirk Woodhouse as the Personal Representatives of the Estate of Trafford V. Woodhouse, deceased, and Ruth Woodhouse, to Kent Woodhouse and Diane Woodhouse, husband and wife, dated March 15, 2001 and recorded March 23, 2001 as Instrument No. 274069, records of Cassia County, Idaho, over and across that portion of the following described parcel:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 8: Part of the N½, more particularly described as follows:

Beginning at the Northeast section corner of said Section 8, said corner marked by a 5/8 inch rebar with a 3 inch cap on top; Thence South 00°01'19" East along the East section line for a distance of 1357.38 feet to the Point of Beginning;
Thence South 00°01'19" East continuing along said line for a distance of 20.01 feet;
Thence North 87°57'36" West for a distance of 3071.57 feet;
Thence South 04°04'35" West for a distance of 0.97 feet;
Thence South 85°55'25" East for a distance of 15.00 feet;
Thence South 04°04'35" West for a distance of 50.00 feet;
Thence North 85°55'25" West for a distance of 50.00 feet;
Thence North 04°04'35" East for a distance of 50.00 feet;
Thence South 85°55'25" East for a distance of 15.00 feet;
Thence North 04°04'35" East for a distance of 20.28 feet;
Thence South 87°57'36" East for a distance of 3090.16 feet to the Point of Beginning.

PARCEL NO. 13:

A Pipeline Easement executed by Pickett Ranch and Sheep Co., an Idaho corporation, to Kent Woodhouse and Diane Woodhouse, husband and wife, dated March 15, 2001 and recorded March 23, 2001 as Instrument No. 274071, records of Cassia County, Idaho, over and across that portion of the following:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 8: Part of the N½, more particularly described as follows:

Beginning at the Northeast section corner of said Section 8, said corner marked by a 5/8 inch rebar with a 3 inch cap on top; Thence South 00°01'19" East along the East section line for a distance of 1357.38 feet to the Point of Beginning;
Thence South 00°01'19" East continuing along said line for a distance of 20.01 feet;
Thence North 87°57'36" West for a distance of 3071.57 feet;
Thence South 04°04'35" West for a distance of 0.97 feet;
Thence South 85°55'25" East for a distance of 15.00 feet;
Thence South 04°04'35" West for a distance of 50.00 feet;
Thence North 85°55'25" West for a distance of 50.00 feet;
Thence North 04°04'35" East for a distance of 50.00 feet;
Thence South 85°55'25" East for a distance of 15.00 feet;
Thence North 04°04'35" East for a distance of 20.28 feet;
Thence South 87°57'36" East for a distance of 3090.16 feet to the Point of Beginning.

PARCEL NO. 14:

Pipeline Easement executed by Oakley Valley Farms, Inc., an Idaho corporation to Kent Woodhouse and Diane Woodhouse, husband and wife, dated March 15, 2001 as Instrument No. 274072, records of Cassia County, Idaho, over and across the following:

TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 8: Part of the N½, more particularly described as follows:

Beginning at the Northeast section corner of said Section 8, said corner marked by a 5/8 inch rebar with a 3 inch cap on top; Thence South 00°01'19" East along the East section line for a distance of 1357.38 feet to the Point of Beginning;
Thence South 00°01'19" East continuing along said line for a distance of 20.01 feet;
Thence North 87°57'36" West for a distance of 3071.57 feet;
Thence South 04°04'35" West for a distance of 0.97 feet;
Thence South 85°55'25" East for a distance of 15.00 feet;
Thence South 04°04'35" West for a distance of 50.00 feet;
Thence North 85°55'25" West for a distance of 50.00 feet;
Thence North 04°04'35" East for a distance of 50.00 feet;
Thence South 85°55'25" East for a distance of 15.00 feet;
Thence North 04°04'35" East for a distance of 20.28 feet;
Thence South 87°57'36" East for a distance of 3090.16 feet to the Point of Beginning.

PARCEL NO. 15:

Part of the SE¼ of Section 32 of Township 12 South, Range 22 East of the Boise Meridian and part of the NE¼ of Section 5 of Township 13 South, Range 22 East of the Boise Meridian, all in Cassia County, State of Idaho.

Beginning at the Northeast section corner of Section 5 of Township 13 South, Range 22 East, Boise Meridian, said corner marked by a 5/8 inch rebar with a 3 inch cap on top which shall be the Point of Beginning;
Thence South 00°00'01" West for a distance of 2754.67 feet to the E¼ corner of said Section 5 marked by a 5/8 inch rebar;
Thence North 88°51'12" West along the South line of the NE¼ of Section 5 for a distance of 2506.35 feet to a ½ inch rebar;
Thence North 00°09'39" West for a distance of 326.26 feet to a ½ inch rebar;
Thence North 88°51'12" West for a distance of 150.00 feet to a ½ inch rebar on the West line of the NE¼ of Section 5;
Thence North 00°09'39" West along said line for a distance of 2398.05 feet to the North ¼ section corner of Section 5 marked by a 5/8 inch rebar with a 3 inch cap on top;
Thence South 89°30'35" East along the North section line of Section 5 for a distance of 108.16 feet to a ½ inch rebar on the centerline of the Oregon Short Line Railroad (abandoned);
Thence North 00°13'10" West along said centerline for a distance of 2616.69 feet to a ½ inch rebar on the North line of the SE¼ of Section 32 of Township 12 South, Range 22 East;
Thence South 89°33'07" East along said line for a distance of 2402.16 feet to the East ¼ section corner of Section 32 marked by a 5/8 inch rebar with a 3 inch cap on top;
Thence South 00°04'14" West along the East line of Section 32 for a distance of 2618.33 feet to the Southeast corner of Section 32 marked by a 5/8 inch rebar with a 3 inch cap on top;
Thence South 89°30'35" East along the North line of Section 5 of Township 13 South, Range 22 East, for a distance of 166.49 feet to the Point of Beginning.

Exhibit B

Schenk Land & Cattle L.P.

RP12S22E360000 A - PART OF PARCEL NO. 1
RP12S22E366149 A - PART OF PARCEL NO. 1
RP12S22E367000 A - PART OF PARCEL NO. 1
RP12S22E369449 A - PART OF PARCEL NO. 1
RP13S22E010000 A - PART OF PARCEL NO. 1, PARCEL NO. 6
RP13S22E010050 A - PART OF PARCEL NO. 1
RP13S22E010150 A - PART OF PARCEL NO. 1
RP13S22E011800 A - PART OF PARCEL NO. 1
RP13S22E127200 A - PART OF PARCEL NO. 1
RP13S22E130000 A - PART OF PARCEL NO. 1
RP12S23E311600 A - PARCEL NO. 2
RP13S23E060000 A - PART OF PARCEL NO. 3
RP13S23E061200 A - PART OF PARCEL NO. 3
RP13S23E070000 A - PART OF PARCEL NO. 3
RP13S23E077200 A - PART OF PARCEL NO. 3
RP13S23E180600 A - PART OF PARCEL NO. 3
(PARCELS 4, 5 AND 10 DELETED)
(PARCELS 7, 8 AND 9 ARE EASEMENT PARCELS)
RP13S23E052301 A - PARCEL NO. 11
RP12S23E327200 A - PARCEL NO. 12
RP13S22E042420 A - PARCEL NO. 13
(PARCELS 14, 15, 16 AND 17 ARE EASEMENT PARCELS)
RP13S22E050001 A - PART OF PARCEL NO. 18
RP12S22E327201 A - PART OF PARCEL NO. 18