

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): 36-2608, 36-2577, 36-2386, 36-11149, 36-11150,
~~36-2612A, 36-2612B, 36-7906A, 36-7906B~~
Adjudication Claim No(s): (same as above)
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
Equity Livestock Credit Corporation
E 10890 Penny Lane
Baraboo, WI 53913
Attn: Robin Macleish
4. Name of Water Right Owner/Claimant(s) Kristi L. Martin, (fka Kristi L. Heidemann,
successor in interest to Martin Farms Co.)
5. Expiration Date of Notification Period March 1, 2011
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) (and title if applicable) Robin D. MacLeish
Vice President of Credit Services

For Office Use Only

Received by <u>[Signature]</u>	Date <u>3/21/07</u>	Fee <u>225.00</u>
Receipted by <u>[Signature]</u>	Date <u>3/21/07</u>	Receipt No. <u>5029338</u>
Processed by <u>AJ</u>	Date _____	WR _____ Date _____

RECEIVED

FEB 28 2007

DEPT. OF WATER RESOURCES
SOUTHERN REGION

MORTGAGE

Instrument # 2020366

JEROME COUNTY, JEROME IDAHO

2007-01-24

10:54:14 No of Pages: 24

Recorded for : TOLMAN LAW OFFICE

CHERYL WATTS

Fee 72.00

Ex-Officio Recorder Deputy

Bunch

ARTICLE 1

DATE AND NAMES AND ADDRESSES OF PARTIES

1.1 Date. This Mortgage is executed and delivered on the 9th day of January, 2002.

1.2 Names and Address of Mortgagee. Equity Livestock Credit Corporation, which is organized and existing under the laws of the state of Wisconsin, and whose address is E10890 Penny Lane, Barboo, WI 53913 is the "Mortgagee."

1.3 Names and Address of Mortgagor. Martin Farms Co., an Idaho Corporation, aka Martin Farms Company, Inc., whose principal place of business is: 670 East 170 North, Jerome, Idaho 83338, and Greg Heidemann and Kristi Heidemann, whose address is 670 East 170 North, Jerome, Idaho are the "Mortgagors."

ARTICLE 2

DEBT AND SECURITY

2.1 Promissory Note. Mortgagors executed and delivered a Equity Livestock Credit Corporation Input Financial Agreement Containing Promissory Note and Security Agreement and Agricultural Universal Note ("Notes") to Mortgagee on January 7, 2002.

2.2 Payment Terms. Mortgagors shall pay the principal amount in accordance with the Notes, copies of which are attached hereto as Exhibits "A" and "B," and by this reference made a part hereof. The entire outstanding principal balance shall be due upon sale by Mortgagors.

2.3 Grant. Mortgagors grant, bargain, sell and convey the property described in paragraph 2.4 to Mortgagee to secure the payment of the indebtedness represented by the Note.

2.4 Property. The property subject to this Mortgage is located in the County of Jerome, State of Idaho, and is more particularly described on Exhibit "C" attached hereto.

ARTICLE 3

MORTGAGORS' COVENANTS

3.1 Security. This Mortgage is given as security for the performance and observation of the covenants and agreements set forth in the Notes and this Mortgage.

3.2 Taxes, Assessments and Charges. Mortgagors shall pay, before delinquent, all taxes, assessments and charges of every nature and to whomsoever assessed, that may now or hereafter be legally levied or assessed upon the property or any part thereof, or upon this Mortgage or the debt secured by this Mortgage.

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JPH

3.3 Preservation of Lien. Except as may otherwise be provided in this Mortgage, Mortgagors will pay all sums, the failure to pay which may result in the acquisition of a lien prior to the lien of this Mortgage before such prior lien may attach.

3.4 Performance on Behalf of Mortgagors. In case of Mortgagors' default in the performance or observance of any of the covenants and agreements contained in this Mortgage, the Mortgagee, without prejudice to any rights given under subsequent paragraphs, may perform on behalf of the Mortgagors.

3.5 Damage or Waste. Mortgagors shall not damage, strip or waste nor do or permit any act by which the value of the property may be impaired.

3.6 Compliance. Mortgagors shall continually comply with and conform to all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property, and not commit, suffer or permit any act to be done in or upon the property in violation thereof.

3.7 Reimbursement. Mortgagors shall pay or reimburse the Mortgagee for expenses reasonably necessary or incidental to the protection of the lien and priority granted by this Mortgage and to the enforcement of, or the compliance with, the provisions of this Mortgage and of the Notes and any supplementary agreement (whether before or after default).

3.8 Advances. The Mortgagee may at any time pay any amounts required to be paid by Mortgagors and not paid when due, as well as any costs and expenses for the preservation, protection or enforcement of this lien, as advances for the account of Mortgagors. All such advances shall bear interest from the date advanced at the highest legal rate per annum allowed by the laws of the State of Idaho. The exercise of the right to make advances granted in this paragraph shall be optional with the Mortgagee and not obligatory, and the Mortgagee shall not in any case be liable to the Mortgagors for a failure to exercise any such right. All such advances shall be secured by this Mortgage and may be collected in the same manner as the principal debt.

3.9 Eminent Domain. The Mortgagors shall pay to the Mortgagee all moneys received as compensation for the taking of title to, possession of, or any interest in, the property or any part thereof by virtue of the right of eminent domain.

3.10 Defending Title or Possession. In case the Mortgagee shall appear in any of the land departments of the United States Government, or in any court or tribunal whatever, to defend the title or possession of the property or the lien of this Mortgage, or in case the Mortgagee shall be made a party defendant to any action at law or suit in equity by reason of the Mortgagee being the holder of this Mortgage and shall make an appearance in defense of the action or suit, all the costs, attorney fees and expenses of such appearance shall be allowed the Mortgagee, and such costs, attorney fees and expenses shall bear interest from the date of payment at the rate of 12% per annum, and the sum or sums so paid shall be immediately due and payable with the interest and shall be an additional lien upon the property and be secured by this Mortgage, and may be collected in the same manner as the principal debt secured by this Mortgage.

ARTICLE 4
SPECIFIC TERMS AND CONDITIONS

4.1 Avoidance of Usury. Notwithstanding any provision of this Mortgage or in the Notes, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of Idaho.

4.2 Extending and Deferring the Debt. The Mortgagee may extend and defer the maturity of and renew and reamortize the debt evidenced by the Note, release from liability to the Mortgagee any part so liable thereon, release portions of the property from and subordinate to the lien hereof, and waive any other rights, without affecting the lien or priority of this agreement or the liability to the Mortgagee or Mortgagors or any other part for payment of the Notes or indebtedness secured by this Mortgage except as otherwise specified by the Mortgagee in writing.

4.3 Payment of Debt. If payments are made as contemplated in the Notes and this Mortgage, then this Mortgage shall be void.

4.4 Default. Upon any default in the performance or observance of any of the covenants and agreements of any instrument now or hereafter evidencing or securing the amounts secured by this Mortgage, the following shall apply:

4.4.1 Interest. While any such default exists, the principal then remaining unpaid shall bear interest as provided in the Notes secured by this Mortgage.

4.4.2 Appointment of a Receiver. Without proof of any other ground for its appointment other than default, if the Mortgagee so elects, the Mortgagee shall be entitled to the immediate appointment of a receiver to take possession and charge of the property, to rent the same and receive and collect the rents, issues and profits thereof under direction of the court, and any amount so collected by such receiver shall be applied under the direction of the court.

4.4.3 Due on Demand. Subject to the provisions of the Notes secured by this Mortgage, if the Mortgagee so elect, the principal then remaining unpaid, with accrued interest, shall at once become due and payable, and the Mortgagee may immediately cause this Mortgage to be foreclosed in the manner prescribed by law.

ARTICLE 5
GENERAL TERMS AND CONDITIONS

5.1 Amendments. This Mortgage may not be amended, modified, altered or changed in any respect whatsoever, except by further agreement in writing duly executed by the parties.

5.2 Attorney's Disclaimer. This Mortgage was drafted by Mortgagee's attorney as a matter of convenience only and shall not be construed for or against either party on that account. Mortgagors acknowledge that the attorney for Mortgagee has not given legal

advice to Mortgagors nor made any representations or warranties on behalf of Mortgagee. Mortgagors acknowledge that they have engaged separate legal counsel to review the documents, or have been provided the full opportunity to do so. Mortgagors acknowledge that they are not relying on the advice, recommendation or representations of counsel for Mortgagee.

5.3 Attorney Fees. If Mortgagors default, Mortgagee shall have the right, at Mortgagors' expense, to retain an attorney to make any demand, or otherwise protect or enforce its rights. Mortgagors promise to pay all costs and expenses so incurred by Mortgagee, including court costs and a reasonable attorney fee. Failure of Mortgagors to pay the same upon demand shall constitute an additional default.

5.4 Binding Effect. This Mortgage shall be binding upon the heirs, estates, personal representatives, successors and assigns of the Mortgagors.

5.5 Choice of Law. This Mortgage shall be interpreted in accordance with the laws and statutes of the state of Idaho.

5.6 Giving of Notice. Service of any notice permitted or required under the terms of this Mortgage shall be deemed complete upon the depositing of the same in the United States Mail by the Mortgagors by certified or registered mail, addressed to the Mortgagee at E108 Penny Lane, Barbo, Wisconsin 53913, or by the Mortgagee addressed to the Mortgagors at 670 East 170 North, Jerome, Idaho 83338, as the case may be, or such other address as either party shall hereafter in writing to the other designate, or by causing the notice to be served personally upon the Mortgagors or on the Mortgagee, as the case may be.

5.7 Paragraph Headings. The paragraph headings of this Mortgage are for clarity in reading and not intended to limit or expand the contents of the respective paragraphs.

5.8 Partial Invalidity. In the event any portion of this Mortgage shall be determined invalid, void or otherwise unenforceable, the remaining provisions shall remain in full force and effect, and shall in no way be affected, impaired or invalidated. It is understood that the remaining provisions shall be construed in a manner most closely approximating the intentions of the parties.

5.9 Parties. If meaningful interpretation of this Mortgage so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions of this Mortgage apply equally to partnerships, corporate entities and to individuals.

5.10 Mortgagors' Further Assurances. The Mortgagors do further covenant to Mortgagee to execute any and all other documents which may be necessary to effect the granting of the security interest conveyances contemplated by this Mortgage.

5.11 Waiver. Failure of the Mortgagee to insist upon the strict performance of any of the covenants or agreements of Mortgagors contained in this Mortgage or Notes, or the delay

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by Mortgagee in the enforcement of any of its remedies upon any default of Mortgagors, shall never constitute a waiver of any requirement or obligation of Mortgagors or right or remedy of Mortgagee contained in or based upon the covenants or agreements.

Dated this 9th day of January, 2002.

ARTICLE 6
SIGNATURES OF MORTGAGORS

MARTIN FARMS CO., an Idaho Corporation,
aka MARTIN FARMS COMPANY, INC.

By Kristi L. Heidemann
Kristi L. Heidemann, its President

ATTEST

G. R. Heidemann
Greg Heidemann, Secretary

Kristi L. Heidemann
Kristi L. Heidemann

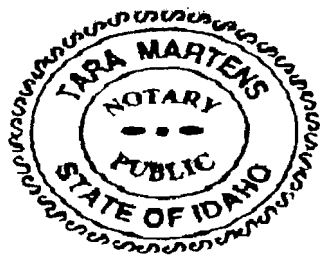
G. R. Heidemann
Greg Heidemann

STATE OF IDAHO

County of Twin Falls

On this 9th day of January, 2001, before me, a notary public for Idaho, personally appeared Kristi L. Heidemann and Greg Heidemann, known or identified to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

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



Tara Martens
NOTARY PUBLIC FOR IDAHO
Residing at: Twin Falls, ID
Commission expires: 06-07-06

Handwritten initials and signature

EXHIBIT "A"

EQUITY LIVESTOCK CREDIT CORPORATION
INPUT FINANCE AGREEMENT CONTAINING
PROMISSORY NOTE AND SECURITY AGREEMENT

ATTACHED HERETO

EQUITY LIVESTOCK CREDIT CORPORATION
INPUT FINANCE AGREEMENT CONTAINING
PROMISSORY NOTE AND SECURITY AGREEMENT

Date: January 9, 2002

THE UNDERSIGNED BORROWER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT, INCLUDING THE SECURITY AGREEMENT AND PROMISSORY NOTE.

LENDER: EQUITY LIVESTOCK CREDIT CORPORATION

BORROWER: Martin Farms Co., an Idaho Corporation, aka Martin Farms Company, Inc.

BORROWER Kristi L Heidemann and Greg Heidemann

Address 670 E 170 N Jerome, ID 83338

1. Definitions.

- (a) "Corporation" means _____.
- (b) "Cash Flow Budget" means the Cash Flow Budget included as a part of the application for the Loan, when required.
- (c) "Borrower" includes all individuals, trust, corporations or other legal entities executing this document as parties hereto, and all members of a partnership, each individual and partner shall be jointly and severally liable hereunder.
- (d) "Loan" means the loan which Lender agrees in this Agreement to make to Borrower.
- (e) "State" means the state of Idaho.
- (f) "Obligation" shall include all debts, liabilities and obligations owed to Lender by any Borrower solely or by both or several or all Borrowers jointly or jointly and severally.

2 The Loan. Lender agrees to lend to Borrower an aggregate amount not to exceed \$ 400,000.00 (the "Maximum Loan Amount") outstanding at any one time. The Loan will be governed by the terms and conditions of this Agreement, the Security Agreement and the Promissory Note (the "Note") and the Commitment Letter. To evidence its obligations to repay the Loan, Borrower shall execute the Note in the principal amount equal to the Maximum Loan Amount. Borrower's obligation to repay the Loan shall exist as provided in the Note, and the terms and provisions of the Note are hereby incorporated herein. The Loan may be prepaid in full or in part at any time without premium or penalty of any kind.

3 Disbursement. The proceeds of the Loan will be disbursed to Borrower from time to time upon evidence satisfactory to Lender that such proceeds are to be used by Borrower for actual expenses incurred by Borrower, as contemplated by the Borrower's Cash Flow Budget, when required. No amounts will be advanced after January 9, 2005. Lender shall not have any obligation to advance any funds to Borrower in the event that (a) there occurs an Event of Default under this Agreement, the Security Agreement or the Note or there exists any condition or event that with the passage of time or the giving of notice or both would constitute an Event of Default under this Agreement, the Note or the Security Agreement, (b) there occurs any material adverse change in Borrower's business prospects or financial condition from that set forth in the information supplied to Lender in connection with the Loan, (c) Borrower shall default in the payment of any debts or obligations to third parties, (d) Borrower shall be in default in the payment or performance of any other debts or obligations owed to Lender, (e) Lender discovers that the Loan fails to satisfy Lender's Credit Approval Guidelines, or (f) in the event that a Cash Flow Budget is required, there occurs an event or condition which would cause a 25% or greater deviation in the anticipated cash flow of Borrower (as set forth in the Cash Flow Budget) for the period covered by the Cash Flow Budget.

4. Covenants. Borrower covenants that it will perform as follows:

- (a) At all reasonable times, Borrower will permit Lender or its representatives to examine or inspect any Collateral (as hereinafter defined), wherever located, and to examine and inspect and copy Borrower's books and records pertaining to the Collateral and its business and financial condition.
- (b) Borrower will keep accurate and complete records pertaining to the Collateral and pertaining to Borrower's business and financial condition and submit to Lender such periodic reports concerning the Collateral and Borrower's business and financial condition as Lender may from time to time reasonably request.
- (c) Borrower will promptly notify Lender of any loss of, or material damage to, any Collateral or of any adverse change known to Borrower in the prospect of payment of any sums due on or under any instrument, chattel paper, account or contract right constituting Collateral.

(d) Borrower will, to the extent permitted by applicable law, pay when due or reimburse Lender on demand for all costs of collection of any of the Note and all other out-of-pocket expenses (including in each case all reasonable attorney's fees) incurred by Lender in connection with the perfection, satisfaction or enforcement of the security interest in the Collateral or the creation, continuance or enforcement of this Loan Agreement, the Security Agreement or the Note.

(e) Borrower will execute, deliver or endorse any and all instruments, assignments, security agreements and other agreements and writings which Lender may at any time reasonably request in order to secure, protect, perfect or enforce the security interest in the Collateral and Lender's rights under this Loan Agreement, the Security Agreement and the Note.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement, including the Security Agreement and Note contained herein, ("Event of Default"): (a) Borrower shall fail to pay, when due, any amount required hereunder or under any other obligation of Borrower to Lender, or shall fail to observe or perform any covenant or agreement herein or in the Security Agreement or the Note; (b) any warranty, representation, agreement or statement made or furnished to Lender by or on behalf of Borrower proves to have been false in any material respect when made or furnished; or (c) Borrower shall default in the payment of any debts or obligations to third parties; (d) Borrower shall fail to satisfy any final judgment, decree or order against Borrower which has not been stayed or appealed within 30 days after the entry thereof; (e) Borrower or any guarantor of any obligation of Borrower to Lender shall (i) fail to conduct its business substantially as now conducted; or (ii) be or become involved or generally fail to pay its debts as they become due; or (iii) file or have filed against it, voluntarily or involuntarily, a petition in bankruptcy or for reorganization under the United States Bankruptcy Code; or (iv) initiate or have initiated against it, voluntary or involuntarily, any act, process or proceeding under any insolvency law or other statute or law providing for the modification or adjustment of the rights of creditors; (f) if Borrower is a corporation, the majority of the stock of Borrower or any substantial portion of the assets of Borrower is sold, transferred or conveyed; (g) if Borrower is a corporation, such corporation should be dissolved or liquidated or, if a partnership, suffer the death of a partner or, if an individual, die; or (h) Lender shall in good faith believe that the prospect of due and punctual payment of any obligation of Borrower to Lender is impaired.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Lender may, at its option, exercise any one or more of the following rights or remedies (i) declare all unmatured Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand; (ii) exercise and enforce any or all rights and remedies available upon default to a secured party under the Uniform Commercial Code, including but not limited to, the right to take possession of any Collateral (and, if appropriate, complete the grazing, fattening or other farming operations in connection with the Collateral preparatory to its disposition), proceeding without or by judicial process or by judicial process (without a prior hearing or notice thereof, which Borrower hereby expressly waives), and the right to sell, lease or otherwise dispose of any or all of the Collateral, and in connection therewith, Lender may require Borrower to assemble the Collateral and make it available to Lender at a place to be designated by Lender which is reasonably convenient to both parties, and if notice to Borrower of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified herein) at least 10 calendar days prior to the date of intended disposition or other action; (iii) exercise or enforce any or all of the rights and remedies available to Lender by law or agreement against the Collateral, against Borrower or against any other person or property.

7. Notices. All notices, requests, demands and other communications hereunder shall be deemed to be duly given if delivered by hand or if mailed by certified or registered mail with postage prepaid as follows:

If to Lender:
Equity Livestock Credit Corporation
E10890 Penny Lane
Baraboo, WI 53913

If to Borrower:
Martin Farms Company, Inc.
Kristi & Greg Heidemann
670 E 170 N Jerome, ID 83338

or to such other address as any party may provide to the other in writing.

8. **Miscellaneous.** The provisions of this Agreement may be waived, modified, amended, terminated or discharged, and the Security Interest may be released, only explicitly in a writing signed by Lender. A waiver signed by Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Lender's rights or remedies. All rights and remedies of Lender shall be cumulative and may be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. Lender's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Lender exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of such bailee or other third person, and Lender need not otherwise preserve, protect, insure or care for any Collateral. Lender shall not be obligated to preserve any rights Borrower may have against prior parties, to realize on the Collateral at all or in any particular manner or order or to apply any cash proceeds of Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective heirs, representatives, successors and assigns and shall take effect when signed by Borrower and delivered to and countersigned by Lender, and Borrower waives notice of Lender's acceptance hereof. Lender may execute this Agreement, if appropriate for the purpose of filing as a financing statement, but the failure of Lender to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement against Borrower. A carbon, photographic or other reproduction of a financing statement or of this Agreement (if this Agreement otherwise meets the requirements of a financing statement) shall be sufficient as a financing statement. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. If this Agreement is signed by more than one person as Borrower, (a) the term "Borrower" shall refer to each of them separately and to both or all of them jointly, (b) all such persons shall be bound both severally and jointly with the other(s), and (c) all property described in Section 2 shall be included as part of the Collateral, whether it is owned jointly by both or all Borrowers or is owned in whole or in part by one (or more) of them.

It is mutually agreed by and between Borrower and Lender that the respective parties waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matter whatsoever arising out of or in any way connected with the Loan or this Loan Agreement.

Borrower hereby agrees that it will not attempt to set off any claims it may have against Corporation from its debt to Lender and further agrees to waive any rights to set-off or counterclaim based on claims concerning the goods or services purchased with the funds borrowed under this Note.

(THE REST OF THIS PAGE IS LEFT BLANK)

PROMISSORY NOTE

\$ 400,000.00

FOR VALUE RECEIVED, the undersigned Borrower (jointly and severally if more than one) hereby promises to pay to the order of Lender, at its office designated below or at such other place within the State as the holder hereof may, from time to time, designate in writing, the following designated principal and interest in the manner set forth below:

PRINCIPAL

- ☐ Single Advance) The principal sum of \$ _____
- ☐ (Multiple Advance) The amount of principal initially advanced hereunder together with any additional advance hereafter less all payments of principal, provided, however, the aggregate principal indebtedness outstanding at any one time shall not exceed \$ _____

EX (Revolving Line of Credit) The amount of principal initially advanced hereunder together with any additional advance hereafter less all payments of principal, provided, however, the aggregate principal indebtedness outstanding at any one time shall not exceed \$ 400,000.00
(Draws will be allowed to a max. of \$100,000 per year and never to exceed the beginning year balance and each succeeding beginning year balance.)

All advances made hereunder by Lender and all payments made on account of principal and interest hereof shall be reflected in a monthly statement provided to Borrower by Lender, provided, however, that the failure to so reflect any advance or payment shall not limit or otherwise affect the obligations of Borrower under this Promissory Note.

INTEREST on the principal shall be payable from the date of disbursement to and including the date of maturity at a rate equal to the Base Rate (as hereinafter defined) from time to time in effect, along with interest after maturity, including maturity by acceleration, until paid at the lesser of 5% per annum greater than the rate specified above or the maximum rate permitted by applicable law. The initial interest rate hereon shall be based on the Base Rate in effect on the date of the first disbursement hereunder and shall change as a result of any change in the Base Rate immediately and simultaneously with each change in the Base Rate. Interest shall be computed on the basis of the actual number of elapsed days and a 365-day year.

INTEREST (Wisconsin only) on the principal shall be payable from the date of disbursement to and including the date of maturity at a rate equal to the lesser of (i) 18% per annum and (ii) the Base Rate (as hereinafter defined) from time to time in effect, along with interest after maturity, including maturity by acceleration, until paid at the lesser of 5% per annum greater than the Base Rate specified above or the maximum rate permitted by applicable law. The initial interest rate hereon shall be based on the Base Rate in effect on the date of the first disbursement hereunder and shall change as a result of any change in the Base Rate immediately and simultaneously with each change in the Base Rate. Interest shall be computed on the basis of the actual number of elapsed days and a 365-day year.

"Base Rate" means the rate of interest published from time to time as the "prime rate" in the New York edition of the Wall Street Journal under the heading Money Rates, with each change in the Base Rate becoming effective on the corresponding day any change in such "prime rate" is so published; provided, however, that (i) if more than one such "prime rate" is published therein, the Base Rate shall be the highest such rate and (ii) if the "prime rate" is no longer published therein, the Base Rate shall be a substantially comparable index selected by Equity Livestock Credit Corporation, plus 2.50 per annum.

PRINCIPAL PAYMENT: The principal of this Note shall be payable on January 9, 2005.

Refer to the payment schedule in the document titled "Commitment Letter" which is attached as Exhibit D and dated the same date as the Input Finance Agreement.

INTEREST PAYMENT: Interest on principal shall be payable at maturity, including maturity by acceleration after default, or upon demand, if applicable; and at any other time a payment is made

PREPAYMENT: This note may be prepaid in full or in part at any time without premium or penalty of any kind.

PLACE OF PAYMENT: All payments of principal and interest shall be made in lawful currency of the United States of America at the following address:

Equity Livestock Credit Corporation
E10890 Peany Lane
Baraboo, WI 53913

or at such other place within the State as the holder hereof may from time to time, designate in writing.

PURPOSE OF LOAN: Borrower hereby warrants and represents that the proceeds of this loan will be used for agricultural purposes.

SET-OFF: Lender may at any time before or after default exercise its right to set off all or any portion of the indebtedness evidenced hereby against any liability or indebtedness of Lender to Borrower (whether owned by Borrower alone or in conjunction with any other person or entity, provided that Borrower has a beneficial interest therein) without prior notice to Borrower.

DEFAULT AND ACCELERATION: Borrower shall be in default upon the occurrence of any one or more of the events enumerated in Section 5 above. Upon the occurrence of an Event of Default, Lender may, at its option, declare the entire unpaid balance of principal of and interest on this Note, as well as the unpaid principal of and interest on any other indebtedness or liability of Borrower to Lender, immediately due and payable without notice or demand. In addition to Lender's right to set-off as provided above, Lender shall have, upon the occurrence of any such Event of Default, and at any time thereafter, the remedies of a secured party under the Uniform Commercial Code or as otherwise provided by law.

MISCELLANEOUS TERMS: Demand, presentment, protest and notice of nonpayment and dishonor of this Note are hereby waived.

Unless otherwise agreed, all payments made by Borrower to Lender as provided hereinabove shall be applied first toward interest and the balance toward principal.

Borrower agrees that Lender may, at its option, grant one or more participation interest in, or assign all or a part of, the obligation evidenced hereby to such parties Lender shall determine in its sole discretion.

Notwithstanding anything to the contrary herein, the interest rate hereon shall not exceed the maximum rate, if any, permitted by applicable law to be contracted by Borrower for the purposes set forth herein.

Borrower will pay on demand, to the extent permitted by applicable law, all costs of collection and attorneys' fees incurred or paid by Lender in enforcing this Note on default.

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SECURITY AGREEMENT

1. MEANING OF TERMS USED HEREIN:

(a) "Collateral" means the collateral described in Section 2 of the Security Agreement.

(b) "Farm Products" means any of the Collateral that constitutes livestock, grain and other crops or supplies used or produced in farming operations and the products and progeny thereof, wherever located.

2. SECURITY INTEREST AND COLLATERAL. To secure the payment and performance of the Obligations, Borrower hereby grants Lender a security interest (herein called the "Security Interest") in the following (herein called the "Collateral"), whether now owned or hereafter acquired by Borrower and wherever located, and all products and proceeds thereof, (Check applicable boxes and complete information).

All of Borrower's

☒ (i) poultry and livestock (including livestock in gestation) and their young, products and progeny thereof and produce thereof, including all livestock designated as inventory; also feed, medicines and other supplies used or produced by Borrower in farming operations; also accounts, contract rights (including proceeds from insurance policies covering the other Collateral), instruments, documents and general intangibles, whether now owned or hereafter acquired and wherever located.

☒ (ii) hedging and commodity accounts or agreements, now or hereafter in effect, together with all rights in and to such accounts or agreements and all payments due or to become due thereunder.

☒ (iii) crops, whether annual or perennial, whether grown, growing or to be grown, and whether harvested or unharvested, and the products thereof and any negotiable or nonnegotiable documents, scale tickets and the like resulting from the storage thereof; also seed, fertilizer, chemicals, and other supplies used or produced by Borrower in farming operations, also accounts, contract rights (including proceeds from insurance policies covering the other Collateral), instruments, documents and general intangibles, whether now owned or hereafter acquired and wherever located;

☒ (iv) contract rights, instruments, documents, general intangibles, accounts, entitlements, payments (including deficiency payments), commodity certificates issued by the Commodity Credit Corporation (CCC), payments in kind (PIK), Farm Products including crops and products thereof, allowances and proceeds of every description, received or to be received by Borrower or hereafter arising for the benefit of Borrower, under farm subsidy, deficiency, diversion, disaster or similar programs administered by the federal government any state government or any local government, or any agency, subdivision, or instrumentality of the foregoing, with respect to farm products, or the farming operations or other business of Borrower, including, but not limited to, those arising under programs administered under the Food Security Act of 1985, and all farm products, payments and proceeds from the foregoing;

☒ (v) all farm equipment and machinery of every kind and description now on hand and hereafter acquired. (Exhibit A)

☒ (vi) real estate property as described on Exhibit B
Borrower shall not remove any of the Collateral from said location, nor sell, convey or encumber said Collateral, provided, however, that Borrower may sell said Collateral or any part thereof if, and only if:

I. The proceeds of such sale are made payable jointly to Lender and Borrower, it being specifically understood and agreed that all indebtedness secured by the Collateral to the extent of the sale price shall be due and payable at the time of such sale; and

ii. Producer sells the Collateral only to buyers listed in Exhibit B attached hereto and incorporated herein by this reference, if required pursuant to the terms of Subsection (d) below

A.R.A.
[Signature]

3. REPRESENTATIONS, WARRANTIES AND AGREEMENTS. Borrower represents, warrants and agrees as follows:

- (a) Borrower is (XX) an individual, () a partnership, (XX) a corporation and, if Borrower is an individual, Borrower's residence is at the address of Borrower shown at the beginning of this Agreement.
(b) Borrower owns the Collateral and the Collateral will be used primarily for farming operations.

(c) If Borrower is not an individual, Borrower's chief place of business is located at 670 E 170 N Jerome, ID 83338 and Borrower's chief executive office is located at _____ or, if proceeding two spaces are left blank, at the address of Borrower shown at the beginning of this Agreement. Borrower's records concerning its accounts and contract rights are kept at _____

or, if left blank, at the address of Borrower shown at the beginning of this Agreement.
(d) The list attached hereto as Exhibit B contains the names and addresses of all buyers, commission merchants and selling agents to or through whom Borrower may sell Farm Products and Borrower will not sell any Farm Products to or through anyone else. Borrower will supplement the list of potential buyers, commission merchants and selling agents in Exhibit B whenever necessary. Borrower authorizes secured party to notify any and all persons named in Exhibit B and any and all other potential buyers, commission merchants and selling agents of Lender's interest in Farm Products and to take any other measures required or allowed by law to perfect and protect Lender's interest in Farm Products. Borrower understands that if Borrower sells any farm products to or through a person not listed on Exhibit B, Borrower may be fined the greater of \$5,000.00 or 15% of the sale price of Farm Products, unless Borrower notifies Lender in writing at least seven (7) days prior to such sale of the identity of the buyer, commission merchant or selling agent to or through whom such Farm Products are being sold, or unless Borrower accounts to Lender for the proceeds of such sale not later than ten (10) days after such sale. Nothing set forth in this subsection shall obviate the covenants and agreements of Borrower to fulfill the requirements of this paragraph.

(e) Borrower will notify Lender within seven (7) days of any significant changes in either the value of the Collateral or the types of items which constitute Collateral.

(f) Borrower will notify Lender within seven (7) days of the receipt or creation of any and all payments, rights and contracts as described in Section 2 of this Agreement.

(g) Borrower will not permit any tangible Collateral to be located or relocated in any state (and, if county filing is required, in any county) in which a financing statement covering such Collateral is required to be, but has not in fact been, filed in order to perfect the Security Interest. Borrower will obtain the written consent of the Lender prior to the removal or relocation of any tangible Collateral. Borrower will not change its name or merge with any other entity or otherwise change or modify its business structure or organization without prior written notice to Lender and consent of Lender thereto.

(h) Unless Lender notifies Borrower in writing that it waives any one or more of the following requirements, Borrower will: (i) keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interest, (ii) not sell or otherwise dispose of the Collateral or any interest therein, (iii) if Lender at any time so requests (whether the request is made before or after the occurrence of an event of Default), promptly deliver to Lender any instrument, document or chattel paper, constituting Collateral, duly endorsed or assigned by Borrower, and (iv) not permit any tangible Collateral to become part of or affixed to any real property without first assuring to the reasonable satisfaction of Lender that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein. The reference to "proceeds" herein shall not be deemed to constitute an authorization to sell or dispose of Collateral.

(i) Borrower will, at the request of Lender, execute and deliver to Lender any financing statements or other notices that Lender may desire in order to perfect the Security Interest. In the event any of the Collateral shall be delivered to a warehouseman or other bailee for storage or any other purpose, Borrower shall cause any negotiable or nonnegotiable document, warehouse receipt, scale ticket or other writing evidencing such storage to be issued in the name of Lender and to be immediately delivered to Lender.

(j) Borrower shall, at its sole cost and expense, keep and maintain the Collateral insured for its full insurable value against all hazards and risks ordinarily insured against. All policies of insurance on the Collateral shall be in form, with insurers and in such amounts as may be satisfactory to the Lender. Borrower shall deliver to the Lender the original (or a certified copy) of each policy of insurance and evidence of payment of all premiums therefor. Such policies of insurance shall contain an endorsement, in form satisfactory to the Lender, showing loss payable to the Lender. Such endorsement or an independent instrument furnished to the Lender, shall provide that the insurer will give the Lender at least thirty (30) days' prior written notice before any such policy or policies of insurance shall be altered or canceled and that no act or default of Lender or any other person shall affect the right of the Lender to recover under such policy or policies of insurance in case of loss or damage. Borrower hereby directs all insurers under such policies of insurance to pay all proceeds payable thereunder directly to the Lender.

It is mutually agreed by and between Borrower and Lender that the respective parties waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matter whatsoever arising out of or in any way connected with this Security Agreement.

This Agreement, including the Security Agreement and Note shall be governed by and construed and enforced in accordance with the laws of the State, without reference to its conflict of laws rules.

NOTICE TO BORROWER: 1. DO NOT SIGN THIS PAPER BEFORE YOU READ IT. 2. DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES. 3. YOU ARE ENTITLED TO AN EXACT COPY OF THIS PAPER. 4. YOU MAY PREPAY THE UNPAID BALANCE AT ANY TIME WITHOUT PENALTY AND MAY BE ENTITLED TO RECEIVE A REFUND ON UNEARNED CHARGES IN ACCORDANCE WITH APPLICABLE LAW.

Individual and/or proprietorship Borrower(s)

Soc. Sec. No.: 519-06-0574
Kristi L Heidemann

Soc. Sec. No.: 518-98-7810
Greg Heidemann

Corporate, Partnership, or Trust Borrower

Martin Farms Co., an Idaho Corporation,
aka Martin Farms Company, Inc.
Fed. Empl ID No.: 82-0239466

By: _____
Title: Kristi L Heidemann, President

By: _____
Title: Greg Heidemann, Secretary

EQUITY LIVESTOCK CREDIT CORPORATION

By: _____
Title: vp of Finance & CEO
Chuck Adami

"EXHIBIT A"

MARTIN FARMS EQUIPMENT LIST	
Case 7130 Tractor	\$60,000
Case 7140 Tractor	\$53,000
Backhoe	\$15,000
Case 5240 Tractor	\$40,000
Chisel Plow ('97)	\$2,000
Chisel Plow Old	\$1,000
826 Tractor	\$10,000
(3) ATV's	\$6,000
Bean Planter	\$2,000
Lg. Mower	\$4,000
(2) Limer Dikers	\$4,000
(2) Truck Beds	\$1,000
Generator	\$500
Harrow	\$1,500
(5) Welders	\$2,000
Heston Swather	\$1,000
Pickett Bean Cutter	\$1,200
Potato Harvester	\$10,000
Potato Digger & Roller	\$8,000
(3) Spudnik Truck Beds	\$60,000
(2) International Trucks	\$20,000
Field Cultivator	\$5,000
Great Plains No-Till Drill	\$7,000
Heston 1 Ton Baler & Accumulator	\$2,500
Misc. Parts/Small Equip.	\$2,500
(5) International Tractors	\$25,000
Roller Harrow	\$2,000
Ripper	\$2,500
(3) Fuel Tanks & Pumps	\$1,500
(2) Grain Augers	\$1,600
Off Set Disc	\$2,500
Cellar Fans	\$9,000
Roller Harrow ('86)	\$2,000
Grain Drill	\$5,000
Fertilizer Spreader	\$1,200
770 Disc	\$2,500
Chisel Plow ('82)	\$2,000
Pickup ('92)	\$4,900
Pickup ('77)	\$3,500
Ford F150 ('95)	\$6,000
Truck ('93)	\$4,000
Total Value	\$394,400
Kristi Heidemann, Pres. & Individual	Greg Heidemann, Sec & Individual

PRH
KTH

EXHIBIT "B"
LEGAL DESCRIPTION

PARCEL 1:

TOWNSHIP 8 SOUTH, RANGE 18 EAST OF THE BOISE MERIDIAN, JEROME
COUNTY, IDAHO

Section 7: LOTS 3 AND 4, E1/2SW1/4, SE1/4

PARCEL 2:

TOWNSHIP 8 SOUTH, RANGE 18 EAST OF THE BOISE MERIDIAN, JEROME
COUNTY, IDAHO

Section 6: SW1/4SE1/4

Section 7: E1/2NW1/4, W1/2NE1/4, SE1/4NE1/4, LOTS 1 AND 2

PARCEL 3:

TOWNSHIP 8 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME
COUNTY, IDAHO

Section 12: E1/2

PARCEL 4:

TOWNSHIP 8 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME
COUNTY, IDAHO

Section 11: NE1/4, EXCEPTING THEREFROM that portion of the NW1/4NE1/4
conveyed to Idaho Transportation Board for the Division of Highways as set forth in
Quitclaim Deed dated April 19, 1984, recorded May 17, 1984 as Instrument No.
281988, Jerome County records and in Quitclaim Deed dated March 20, 1984,
recorded May 17, 1984 as Instrument No. 281989, Jerome County records.

Section 12: NW1/4

Kristi L Heidemann, Pres &
individually

Greg Heidemann, Sec &
individually

APR
1984

EQUITY LIVESTOCK CREDIT CORPORATION

EXHIBIT D

Commitment Letter

January 9, 2002

Martin Farms Company, Inc.
Greg & Kristi Heidemann
670 E 170 N
Jerome ID 83338

Dear Greg & Kristi:

Equity Livestock Credit Corporation (ELCC) has approved your application for financing. We are pleased to offer financing under the following terms and conditions:

- Borrower:** This loan will be made to Martin Farms Co., an Idaho corporation, aka Martin Farms Company, Inc. (Greg & Kristi Heidemann).
- Purpose:** The loan will be used to provide financing for a Revolving Line of Credit. (Draws will be allowed to a maximum of \$100,000 per year but not to exceed the beginning year balance, or each succeeding beginning year balance.)
- Amount:** The loan amount will be a maximum of \$400,000.00.
- Interest Rate:** The interest rate will be variable. The interest rate will be 2.50% above prime, which is indexed to CoBank's national variable rate. The initial rate will be 7.25%.
- Term:** The term of the loan will be for a period of 36 months, which will have an expiration date of January 9, 2005. Payments will begin automatically through milk assignment once the loan has been signed and the assignment is in place.
- Security:** The loan will be secured by real estate property located in Jerome county, Idaho, poultry & livestock, hedging & commodity accounts, crops, contract rights, equipment & machinery, and milk assignments. (A complete listing of security is on page 6, which is titled "Security Agreement").

[Handwritten signature]
A.R.H.

Insurance: Equity Livestock Credit Corporation should be listed as loss payee on the insurance policy for the secured items. Please have your insurance agent send a copy of the policy showing Equity Livestock Credit Corporation as loss payee.

Related

Conditions: Quarterly financial statements outlining income, expenses and net worth will be provided. (Both personal & business)
Annual tax returns will be provided. (Both personal & business)
Loan documents signed by both parties and returned.
Second mortgage on Real Estate will remain in place until Operating & Equipment Notes are paid in full.

Default: In the event of default, ELCC reserves the right to commence collection.

If these terms and conditions are acceptable to you, please sign and return a copy of this letter and return it with your loan documents. If you have any questions, please call me at 608-356-8311 or 1-800-362-3989.

This commitment does not constitute an obligation until countersigned by Equity Livestock Credit Corporation and all loan documents are signed.

I/We agree and accept the term and conditions of this loan commitment, as identified in this letter.

ACCEPTED THIS 9 day of January, 2002.

Martin Farms Co., an Idaho corporation, aka Martin Farms Company, Inc.

By Kristi L. Heidemann, and G. R. Heidemann
Kristi Heidemann - Pres./Individual Greg Heidemann - Sec./Individual

ACKNOWLEDGED THIS 9 day of January, 2002.

BY: Charles Ham an officer of Equity Livestock Credit Corporation

PLEASE NOTE:

This commitment will expire if the commitment letter is not signed and returned to our office within 15 days from the date shown on the 1st page of this letter.

JKH
SRH

EXHIBIT "B"
AGRICULTURAL UNIVERSAL NOTE
ATTACHED HERETO

Stock No. 11250



Boxes Not Checked
Are Inapplicable

W.B.A. 755 (6-99)

AGRICULTURAL UNIVERSAL NOTE

(For Agricultural Transactions)

Martin Farms Co., an Idaho Corporation
aka Martin Farms Company, Inc.

Jan. 9, 2002 \$ 271,850.79

1. Promise to Pay and Payment Schedule. The undersigned ("Maker" whether one or more) promises to pay to the order of Equity Livestock Credit Corporation ("Lender") at Baraboo Wisconsin, the sum of \$ 271,850.79

[Check (a), (b), (c), (d) or (e); only one shall apply.]

- ☐ (a) Single Payment. In one payment on _____, PLUS interest payable as set forth below.
- ☒ (b) Installments of Principal and Interest. In 59 equal installments of \$ 4,151.09 due on Feb. 9, 2002 and on ☒ the same day(s) of each consecutive month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on January 9, 2002. All payments include principal and interest. If checked, payments are to be made in whole or in part from Maker's gross ☒ milk ☐ sales during the payment period and Maker shall make payments directly to Lender if such sales are insufficient to make the payment for any reason.
- ☐ (c) Installments of Principal. In _____ equal installments of principal of \$ _____ due on _____ and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of unpaid principal due on _____, PLUS interest payable as set forth below.
- ☐ (d) Product Sales. In not more than _____ installments including interest, due on the _____ day(s) of every month, beginning _____ each of which shall be _____ % of the Maker's gross ☐ milk ☐ sales during the payment period, but regardless of the amount of such sales not less than \$ _____ (except final installment shall be balance due) and Maker shall make payments directly to Lender if such sales are insufficient for any reason.
- ☐ (e) Other.

2. Interest Calculation. This Note bears interest on the unpaid principal balance before maturity.

[Check (a) or (b); only one shall apply.]

- ☐ (a) Fixed Rate. At the rate of _____ % per year.
- ☒ (b) Variable Rate. At the annual rate which is equal to the following Index Rate, ☒ plus ☐ minus 2.50 percentage points ("Note Rate"), and the Note Rate shall be adjusted as provided below. The Index Rate is ☒ The prime rate ☐ The reference rate ☐ The base rate adopted by ☐ Lender ☐ from time to time as its base or reference rate for interest rate determinations. The Index Rate may or may not be the lowest rate charged by Lender.

The initial Note Rate is 7.25 % per year. An adjustment in the Note Rate will result in an increase or decrease in (1) ☒ the amount of each payment of interest, (2) ☐ the amount of the final payment, (3) ☐ the number of scheduled periodic payments sufficient to repay this Note in substantially equal payments, (4) ☐ the amount of each remaining payment of principal and interest so that those remaining payments will be substantially equal and sufficient to repay this Note by its scheduled maturity date, (5) ☐ the amount of each remaining payment of principal and interest (other than the final payment) so that those remaining payments will be substantially equal and sufficient to repay this Note by its scheduled maturity date based on the original amortization schedule used by Lender, plus the final payment of principal and interest, or (6) ☐.

In addition, Lender is authorized to change the amount of periodic payments if and to the extent necessary to pay in full all accrued interest owing on this Note. Maker agrees to pay any resulting payments or amounts. The Note Rate shall be adjusted only on the following Change Date ☐ the first day of each month ☐ each scheduled payment date ☐ as and when the Index Rate changes ☐. If the Index Rate ceases to be available to Lender, Lender may substitute a substantially similar index and margin.

Interest is computed:

- ☒ (c) For the actual number of days principal is unpaid ☐ on the basis of a 360 day year ☒ on the basis of a 365 day year.
- ☐ (d) For the number of days principal is unpaid on the basis of a 360 day year, counting each day as one (thirtieth of a month and disregarding differences in lengths of months and years).

Unpaid principal and interest bear interest after maturity (whether by acceleration or lapse of time) at the rate ☒ which would otherwise be applicable plus 2.00 percentage points ☐ of _____ % per year for the actual number of days principal and accrued interest is unpaid, computed on the same basis as the interest rate before maturity.

3. Interest Payment. Interest is payable on February 9, 2002 and on ☒ the same day of each consecutive month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity. OR if box (b) or (d) is checked, at the times so indicated.

4. Other Charges. If any payment is not made on or before the 15th day after its due date, Lender may collect a delinquency charge of ☒ \$ _____ ☐ % of the unpaid amount. Maker agrees to pay a charge of \$ _____ for each check presented for payment under this Note which is returned unsatisfied. Maker also agrees to pay the following additional fees or charges:

☐ _____ \$ ☐ _____ \$
☐ _____ \$ ☐ _____ \$
☐ _____ \$ ☐ _____ \$

If property and/or liability insurance is required in any agreement securing this Note, Maker may choose the person through whom such insurance is obtained. If obtained from or through the Lender, the cost for an estimated term of NA months is \$ NA.

5. Marital Information. Maker, Greg Heidemann is ☒ married ☐ unmarried ☐ legally separated. Kristi L. Heidemann (NAME)

If Maker is married and Maker's spouse is not signing below, the name of Maker's spouse is _____ and Maker's spouse resides at ☒ the address of own below Maker's signature or at ☐.

If Maker is a married Wisconsin resident, the obligation evidenced by this Note is being incurred in the interest of Maker's marriage or family.

X _____ (MAKER)

6. Prepayment. Full or partial prepayment of this Note ☐ is permitted at any time without penalty ☐.

Maker represents that the obligations under this Note are incurred primarily for an agricultural purpose. Maker acknowledges receipt of an exact copy of this Note. THIS NOTE INCLUDES THE ADDITIONAL PROVISIONS ON THE REVERSE SIDE.

Martin Farms Co., an Idaho Corporation, aka Martin Farms Co., Inc.

X _____ (MAKER) (SEAL) X Greg Heidemann, officer & individually (SEAL)
X _____ (ADDRESS) X Kristi L. Heidemann, officer & individually (SEAL)
670 E 170 N Jerome ID 83338 X _____ (MAKER) (SEAL)

FOR LENDER'S CLERKAL USE ONLY

Copy of Note to Maker _____ ☐ Delivered

If credit life or accident and sickness insurance is requested, a WBA 450 may be required.

*If checked, insert applicable prepayment restrictions and penalties.

(Lender's Office)

ORIGINAL LENDER COPY

SRH
JPH

[illegible][illegible]

3. **Rights of Lender.** With all and with the benefit of any Maker's indorsers, surety or guaranty, Lender may without notice accept partial payments, to cash or as any collateral security for the payment of this Note, or agree that to sue any party liable on this Lender may fully pay or payments if permitted to do so, and may direct its agents, clerks or any other person to collect for it the Maker's payments made by or for Maker to any obligor(s) of Maker but Lender without effect and the liability of any indorser, surety or guarantor, Lender may, from time to time, without notice, renew or extend the time for payment.

10. **Obligations and Agreements of Maker.** The obligators under this Note of all Makers are joint and several. All Makers' interests, shares, and participations are to pay all costs of collection before and after judgment, including reasonable attorneys' fees (including those incurred in successful defense of Makers or Makers' agents or representatives, and their third parties, in order to settle such claims), and against any and all claims, damages, Makers' or their interests, and survivors. The payment of this Note and the discharge and release of any collateral for this Note. Each Maker waives presentment, protest, demand, and suit of all character and agrees to acknowledge that credit has not made any representations or warranties with respect to, and that Maker does not assume any responsibility to, Makers for, the collectability or non-collectability of this Note or the financial condition of any Maker. Each Maker has independently determined the credit, solvency and collectability of the Note. Makers, as a class, agree to disclose financial and other information about Makers to others.

11. Interpretation. This Note is intended by Maker and Lender as a final expression of this Note and as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Note. This Note may not be supplemented or modified except in writing. This Note benefits under its SURETYSHIP and assigns and binds Maker and Maker's heirs, personal representatives, successors and assigns. The validity, construction and enforcement of this Note is governed by the internal laws of Wisconsin.

12 Other Provisions (if any)

PAYMENT RECORD

[illegible]

15 MAY 2012

[illegible]

(टिप्पणी: निम्नलिखित)

[illegible]

(Continued)

[illegible]

SRH
C. K. H.

EXHIBIT "C"
LEGAL DESCRIPTION

PARCEL 1:

TOWNSHIP 8 SOUTH, RANGE 18 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section 7: LOTS 3 AND 4, E1/2SW1/4, SE1/4

PARCEL 2:

TOWNSHIP 8 SOUTH, RANGE 18 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section 6: SW1/4SE1/4

Section 7: E1/2NW1/4, W1/2NE1/4, SE1/4NE1/4, LOTS 1 AND 2

PARCEL 3:

TOWNSHIP 8 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section 12: E1/2

PARCEL 4:

TOWNSHIP 8 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section 11: NE1/4, EXCEPTING THEREFROM that portion of the NW1/4NE1/4 conveyed to Idaho Transportation Board for the Division of Highways as set forth in Quitclaim Deed dated April 19, 1984, recorded May 17, 1984 as Instrument No. 281988, Jerome County records and in Quitclaim Deed dated March 20, 1984, recorded May 17, 1984 as Instrument No. 281989, Jerome County records.

Section 12: NW1/4

SRH
x



EXHIBIT D

Commitment Letter

January 9, 2002

Martin Farms Company, Inc.
Greg & Kristi Heidemann
670 E 170 N
Jerome ID 83338

Dear Greg & Kristi:

Equity Livestock Credit Corporation (ELCC) has approved your application for financing. We are pleased to offer financing under the following terms and conditions:

- Borrower:** This loan will be made to Martin Farms Co., an Idaho corporation, aka Martin Farms Company, Inc. (Greg & Kristi Heidemann).
- Purpose:** The loan will be used to provide refinancing for an existing Equipment Loan.
- Amount:** The loan amount will be a maximum of \$271,850.79.
- Interest Rate:** The interest rate will be variable. The interest rate will be 2.50% above prime, which is indexed to CoBank's national variable rate. The initial rate will be 7.25%.
- Term:** The term of the loan will be for a period of 60 months, which will have an expiration date of January 9, 2007. Payments will begin automatically through milk assignment once the loan has been signed and the assignment is in place.
- Security:** The loan will be secured by real estate property located in Jerome county, Idaho, poultry & livestock, hedging & commodity accounts, crops, contract rights, equipment & machinery, and milk assignments. (A complete listing of security is on page 6, which is titled "Security Agreement").
- Insurance:** Equity Livestock Credit Corporation should be listed as loss payee on the insurance policy for the secured items. Please have your insurance

agent send a copy of the policy showing Equity Livestock Credit Corporation as loss payee.

Related

Conditions: Quarterly financial statements outlining income, expenses and net worth will be provided. (Both personal & business)
Annual tax returns will be provided. (Both personal & business)
Loan documents signed by both parties and returned.
Second mortgage on Real Estate will remain in place until Operating & Equipment Notes are paid in full.

Default: In the event of default, ELCC reserves the right to commence collection.

If these terms and conditions are acceptable to you, please sign and return a copy of this letter and return it with your loan documents. If you have any questions, please call me at 608-356-8311 or 1-800-362-3989.

This commitment does not constitute an obligation until countersigned by Equity Livestock Credit Corporation and all loan documents are signed.

I/We agree and accept the term and conditions of this loan commitment, as identified in this letter.

ACCEPTED THIS 9 day of January, 2002.

Martin Farms Co., an Idaho corporation, aka Martin Farms Company, Inc.

BY: Kristi Heidemann and G. R. Heidemann
Kristi Heidemann-Pres./Individual Greg Heidemann - Sec./Individual

ACKNOWLEDGED THIS 9 day of January, 2002.

BY: Charles Horn an officer of Equity Livestock Credit Corporation

PLEASE NOTE:

This commitment will expire if the commitment letter is not signed and returned to our office within 15 days from the date shown on the 1st page of this letter.

Instrument # 2043020

JEROME COUNTY, JEROME, IDAHO

2004-05-02

01:34:38 No. of Pages: 16

Recorded for : HOLLAND & HART

CHERYL WATTS

Fee: 48.00

Ex-Office Recorder Deputy

CB

Recording Requested By,
And After Recording, Return To:
Equity Livestock Credit Corporation
E10890 Penny Lane, Baraboo, WI 53913
Attn: Charles Adami

**MORTGAGE
AND ASSIGNMENT OF RENTS AND LEASES**

THIS MORTGAGE AND ASSIGNMENT (this "Mortgage") is executed as of February 11, 2004, by KRISTI L. HEIDEMANN, a married woman dealing with her sole and separate property (the "Mortgagor"), to EQUITY LIVESTOCK CREDIT CORPORATION, a Wisconsin corporation (together with its successors and assigns, the "Mortgagee").

ARTICLE I. MORTGAGE

1.01 Grant. For the purposes and upon the terms and conditions in this Mortgage, Mortgagor irrevocably mortgages, grants, conveys and assigns to Mortgagee, with the right of entry and possession, Mortgagor's interest in: (a) all real property located in Jerome County, Idaho, and described on Exhibit A attached hereto; (b) all easements, rights-of-way and rights used in connection with or as a means of access to any portion of said real property; (c) all tenements, hereditaments and appurtenances thereof and thereto; (d) all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining said real property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with said real property; (e) all buildings, improvements and landscaping now or hereafter erected or located on said real property; (f) all development rights, governmental or quasi-governmental licenses, permits or approvals, zoning rights and other similar rights or interests which relate to the development, use or operation of, or that benefit or are appurtenant to, said real property; (g) all mineral rights, oil and gas rights, air rights, water or water rights, including without limitation, all wells, canals, ditches and reservoirs of any nature and all rights thereto, appurtenant to or associated with said real property, whether decreed or undeclared, tributary or non-tributary, surface or underground, appropriated or unappropriated, and all shares of stock in any water, canal, ditch or reservoir company, and all well permits, water service contracts, drainage rights and other evidences of any such rights; and (h) all interest or estate which Mortgagor now has or may hereafter acquire in said real property and all additions and accretions thereto, and all awards or payments made for the taking of all or any portion of said real property by eminent domain or any proceeding or purchase in lieu thereof, or any damage to any portion of said real property (collectively, the "Subject Property"). The listing of specific rights or property shall not be interpreted as a limitation of general terms.

1.02 Address. The address of the Subject Property (if known) is: 500 East 150 North [670 East 170 North], Jerome, Idaho. Neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this

Mortgage on the Subject Property as described on Exhibit A. In the event of any conflict between the provisions of Exhibit A and said address, Exhibit A shall control.

ARTICLE II. OBLIGATIONS SECURED

2.01 Obligations Secured. Mortgagor makes this grant and assignment for the purpose of securing the following obligations (each, a "Secured Obligation" and collectively, the "Secured Obligations"):

(a) payment and performance of the obligations of Mortgagor, as lessee (the "Lessee Obligations"), arising under that certain Post-Petition Consolidated Dairy Cow Master Lease Agreement of even date herewith, between Mortgagee, as lessor, and Mortgagor, as lessee (the "Dairy Cow Master Lease"), which are secured hereby; provided, however, that the security afforded hereby in respect of the Lessee Obligations is limited to an aggregate dollar amount not to exceed Four Hundred Fifteen Dollars (\$415,000) plus interest; and

(b) payment and performance of all obligations of Mortgagor under this Mortgage, together with all advances, payments or other expenditures made by Mortgagee as or for the payment or performance of any such obligations of Mortgagor; and

(c) payment and performance of all future advances and other obligations that the then record owner of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when any such advance or other obligation is evidenced by a writing which recites that it is secured by this Mortgage; and

(d) all modifications, extensions and renewals of any of the Secured Obligations (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

2.02 Obligations. The term "obligations" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, joint or several, including without limitation, all principal, interest, charges, including prepayment charges and late charges, and loan fees at any time accruing or assessed on any Secured Obligation.

2.03 Incorporation. All terms of the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property are hereby deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) borrowing, repayment and reborrowing may be permitted in connection with one or more of the Secured Obligations; and (b) the rate of interest on one or more of the Secured Obligations may vary from time to time.

ARTICLE III. ASSIGNMENT OF RENTS

3.01 Assignment. For the purposes and upon the terms and conditions set forth herein, Mortgagor irrevocably assigns to Mortgagee all of Mortgagor's right, title and interest in, to and

under all leases, licenses, rental agreements and other agreements of any kind relating to the use or occupancy of any of the Subject Property, whether existing as of the date hereof or at any time hereafter entered into, together with all guarantees of and security for any tenant's or lessee's performance thereunder, and all amendments, extensions, renewals and modifications thereto (each, a "Lease" and collectively, the "Leases"), together with any and all other rents, issues and profits of the Subject Property (collectively, "Rents"). This assignment shall not impose upon Mortgagee any duty to produce Rents from the Subject Property, nor cause Mortgagee to be: (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor or landlord under any Lease; or (c) responsible for any waste committed by any person or entity at any time in possession of the Subject Property or any part thereof, or for any dangerous or defective condition of the Subject Property, or for any negligence in the management, upkeep, repair or control of the Subject Property. This is an absolute assignment, not an assignment for security only, and Mortgagee's right to Rents is not contingent upon and may be exercised without taking possession of the Subject Property. Mortgagor agrees to execute and deliver to Mortgagee, within five (5) days of Mortgagee's written request, such additional documents as Mortgagee may reasonably request to further evidence the assignment to Mortgagee of any and all Leases and Rents. Mortgagor, at Mortgagor's option and without notice, may notify any lessee or tenant of this assignment of the Leases and Rents.

3.02 Protection of Security. To protect the security of this assignment, Mortgagor agrees:

(a) At Mortgagor's sole cost and expense: (i) to perform each obligation to be performed by the lessor or landlord under each Lease and to enforce or secure the performance of each obligation to be performed by the lessee or tenant under each Lease; (ii) not to modify any Lease in any material respect, nor accept surrender under or terminate the term of any Lease; (iii) not to anticipate the Rents under any Lease; and (iv) not to waive or release any lessee or tenant of or from any Lease obligations. Mortgagor assigns to Mortgagee all of Mortgagor's right and power to modify the terms of any Lease, to accept a surrender under or terminate the term of or anticipate the Rents under any Lease, and to waive or release any lessee or tenant of or from any Lease obligations, and any attempt on the part of Mortgagor to exercise any such rights or powers without Mortgagee's prior written consent shall be a breach of the terms hereof.

(b) At Mortgagor's sole cost and expense, to defend any action in any manner connected with any Lease or the obligations thereunder, and to pay all costs of Mortgagee, including reasonable attorneys' fees, in any such action in which Mortgagee may appear.

(c) That, should Mortgagor fail to do any act required to be done by Mortgagor under a Lease, then Mortgagee, but without obligation to do so and without notice to Mortgagor and without releasing Mortgagor from any obligation hereunder, may make or do the same in such manner and to such extent as Mortgagee deems necessary to protect the security hereof, and, in exercising such powers, Mortgagee may employ attorneys and other agents, and Mortgagor shall pay necessary costs and reasonable attorneys' fees incurred by Mortgagee, or its agents, in the exercise of the powers granted herein. Mortgagor shall give prompt notice to Mortgagee of any default by any lessee or tenant under any Lease, and of any notice of default on the part of Mortgagor under any Lease received from a lessee or tenant thereunder, together with an accurate and complete copy thereof.

(d) To pay to Mortgagee 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 Secured Obligation, and the same, at Mortgagee's option, may be added to any Secured Obligation and shall be secured hereby.

3.03 License. Mortgagee confers upon Mortgagor a license ("License") to collect and retain the Rents as, but not before, they come due and payable, until the occurrence of any Default (as defined in Section 5.01 hereof). Upon the occurrence of any Default, the License shall be automatically revoked, and Mortgagee may, at Mortgagee's option and without notice, either in person or by agent, with or without bringing any action, or by a receiver to be appointed by a court: (a) enter, take possession of, manage and operate the Subject Property or any part thereof; (b) make, cancel, enforce or modify any Lease; (c) obtain and evict tenants, fix or modify Rents, and do any acts which Mortgagee deems proper to protect the security hereof; and (d) either with or without taking possession of the Subject Property, in its own name, sue for or otherwise collect and receive all Rents, including those past due and unpaid, and apply the same in accordance with the provisions of this Mortgage. The entering and taking possession of the Subject Property, the collection of Rents and the application thereof as aforesaid, shall not cure or waive any Default, nor waive, modify or affect any notice of default hereunder, nor invalidate any act done pursuant to any such notice. The License shall not grant to Mortgagee the right to possession, except as provided in this Mortgage.

ARTICLE IV. RIGHTS AND DUTIES OF THE PARTIES

4.01 Title. Mortgagor warrants that Mortgagor lawfully possesses and holds fee simple title to the Subject Property without limitation on the right to encumber as provided herein, that the Subject Property is Mortgagor's sole and separate property, and that this Mortgage is a valid lien on the Subject Property and all of Mortgagor's interest therein.

4.02 Taxes and Assessments. Subject to the right, if any, of Mortgagor to contest payment of the following pursuant to any other agreement between Mortgagor and Mortgagee, Mortgagor shall pay, prior to delinquency, all taxes, assessments, levies and charges imposed: (a) by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property or any interest therein; or (b) by any public authority upon Mortgagee by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Mortgagee pursuant to any Secured Obligation; provided, however, that Mortgagor shall have no obligation to pay any income taxes of Mortgagee. Promptly upon request by Mortgagee, Mortgagor shall furnish to Mortgagee satisfactory evidence of the payment of all of the foregoing. Mortgagee is hereby authorized to request and receive from the responsible governmental and non-governmental personnel written statements with respect to the accrual and payment of any of the foregoing.

4.03 Performance of Secured Obligations. Mortgagor shall promptly pay and perform each Secured Obligation when due.

4.04 Liens, Encumbrances and Charges. Mortgagor shall immediately discharge any lien on the Subject Property not approved by Mortgagee in writing. Except as otherwise provided in any Secured Obligation or other agreement with Mortgagee, Mortgagor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber the Subject Property, whether senior or subordinate hereto, including without limitation, any mechanics' liens.

4.05 Insurance. Mortgagor shall insure the Subject Property against loss or damage by fire and such other risks as Mortgagee shall from time to time require. Mortgagor shall carry public liability insurance, flood insurance as required by applicable law and such other insurance as Mortgagee may reasonably require, including without limitation, business interruption insurance or loss of rental value insurance. Mortgagor shall maintain all required insurance at

Mortgagor's expense, under policies issued by companies and in form and substance satisfactory to Mortgagee. Mortgagee, by reason of accepting, rejecting, approving or obtaining insurance, shall not incur any liability for: (a) the existence, nonexistence, form or legal sufficiency thereof; (b) the solvency of any insurer; or (c) the payment of losses. All policies and certificates of insurance shall name Mortgagee as loss payee, and shall provide that the insurance cannot be terminated as to Mortgagee except upon a minimum of ten (10) days' prior written notice to Mortgagee. Immediately upon any request by Mortgagee, Mortgagor shall deliver to Mortgagee the original of all such policies or certificates, with receipts evidencing annual prepayment of the premiums.

4.06 Tax and Insurance Impounds. At Mortgagee's option and upon its demand, Mortgagor shall, until all Secured Obligations have been paid in full, pay to Mortgagee monthly, annually or as otherwise directed by Mortgagee an amount estimated by Mortgagee to be equal to: (a) all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Subject Property and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, other hazard and mortgage insurance next due. If Mortgagee determines that amounts paid by Mortgagor are insufficient for the payment in full of such taxes, assessments, levies and/or insurance premiums, Mortgagee shall notify Mortgagor of the increased amount required for the payment thereof when due, and Mortgagor shall pay to Mortgagee such additional amount within thirty (30) days after notice from Mortgagee. All amounts so paid shall not bear interest, except to the extent and in the amount required by law. So long as there is no Default, Mortgagee shall apply said amounts to the payment of, or at Mortgagee's sole option release said funds to Mortgagor for application to and payment of, such taxes, assessments, levies, charges and insurance premiums. If a Default exists, Mortgagee at its sole option may apply all or any part of said amounts to any Secured Obligation and/or to cure such Default, in which event Mortgagor shall be required to restore all amounts so applied, as well as to cure any Default not cured by such application. Mortgagor hereby grants and transfers to Mortgagee a security interest in all amounts so paid and held in Mortgagee's possession, and all proceeds thereof, to secure the payment and performance of each Secured Obligation. Upon assignment of this Mortgage, Mortgagee shall have the right to assign all amounts collected and in its possession to its assignee, whereupon Mortgagee shall be released from all liability with respect thereto. The existence of said impounds shall not limit Mortgagee's rights under any other provision of this Mortgage or any other agreement, statute or rule of law. Within ninety-five (95) days following full repayment of all Secured Obligations (other than as a consequence of a foreclosure or conveyance in lieu of foreclosure of the liens and security interests securing any Secured Obligation), or at such earlier time as Mortgagee in its discretion may elect, the balance of all amounts collected and in Mortgagee's possession shall be paid to Mortgagor, and no other party shall have any right of claim thereto.

4.07 Damages; Insurance and Condemnation Proceeds.

(a) (i) All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation (or transfer in lieu thereof) for public or private use affecting the Subject Property; (ii) all other claims and awards for damages to or decrease in value of the Subject Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to the Subject Property; and (iv) all interest which may accrue on any of the foregoing, are all absolutely and irrevocably assigned to and shall be paid to Mortgagee. At the absolute discretion of Mortgagee, whether or not its security is or may be impaired, but subject to applicable law if any, and without regard to any requirement contained in any other Section hereof, Mortgagee may apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any such claim and apply the balance to the Secured

Obligations in any order, and release all or any part of the proceeds to Mortgagor upon any conditions Mortgagee may impose. Mortgagee may commence, appear in, defend or prosecute any assigned claim or action, and may adjust, compromise, settle and collect all claims and awards assigned to Mortgagee; provided, however, that in no event shall Mortgagee be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

(b) At its sole option, Mortgagee may permit insurance or condemnation proceeds held by Mortgagee to be used for repair or restoration but may impose any conditions on such use as Mortgagee deems necessary.

4.08 Maintenance and Preservation of Subject Property. Subject to the provisions of any Secured Obligation, Mortgagor covenants:

- (a) to keep the Subject Property in good condition and repair;
- (b) except with Mortgagee's prior written consent, not to remove or demolish the Subject Property, nor alter, restore or add to the Subject Property, nor initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property;
- (c) to restore promptly and in good workmanlike manner any portion of the Subject Property which may be damaged or destroyed, unless Mortgagee requires that all of the insurance proceeds be used to reduce the Secured Obligations as provided in Section 4.07 hereof;
- (d) to comply with and not to suffer violation of any or all of the following which govern acts or conditions on, or otherwise affect the Subject Property: (i) laws, ordinances, regulations, standards and judicial and administrative rules and orders; (ii) covenants, conditions, restrictions and equitable servitudes, whether public or private; and (iii) requirements of insurance companies and any bureau or agency which establishes standards of insurability;
- (e) not to commit or permit waste of the Subject Property; and
- (f) to do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

4.09 Hazardous Substances; Environmental Provisions. Mortgagor represents and warrants to Mortgagee as follows:

- (a) Except as disclosed to Mortgagee in writing prior to the date hereof, the Subject Property is not and has not been a site for the use, generation, manufacture, storage, treatment, disposal, release or threatened release, transportation or presence of any substances which are "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under the Hazardous Materials Laws, as defined below, and/or other applicable environmental laws, ordinances and regulations (collectively, "Hazardous Materials").
- (b) The Subject Property is in compliance with all laws, ordinances and regulations relating to Hazardous Materials (collectively, the "Hazardous Materials Laws"), including without limitation, the Clean Air Act, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Federal Toxic Substances Control Act and the Occupational Safety and Health Act, as any of the same may be amended, modified or supplemented from time to time, and any other

applicable federal, state or local environmental laws, and any rules or regulations adopted pursuant to any of the foregoing.

(c) There are no claims or actions pending or threatened against Mortgagor or the Subject Property by any governmental entity or agency, or any other person or entity, relating to any Hazardous Materials or pursuant to any Hazardous Materials Laws.

(d) Mortgagor hereby agrees to defend, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns, from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation, attorneys' fees and expenses) which Mortgagee may incur as a direct or indirect consequence of the use, generation, manufacture, storage, treatment, disposal, release or threatened release, transportation or presence of Hazardous Materials in, on, under or about the Subject Property. Mortgagor shall pay to Mortgagee immediately upon demand any amounts owing under this indemnity, together with interest from the date of demand until paid in full at the highest rate of interest applicable to any Secured Obligation. **MORTGAGOR'S DUTY AND OBLIGATION TO DEFEND, INDEMNIFY AND HOLD HARMLESS MORTGAGEE SHALL SURVIVE THE CANCELLATION OF THE SECURED OBLIGATIONS AND THE RELEASE OR PARTIAL RELEASE OF THIS MORTGAGE.**

(e) Mortgagor shall immediately advise Mortgagee in writing upon Mortgagor's discovery of any occurrence or condition on the Subject Property, or on any real property adjoining or in the vicinity of the Subject Property, that does or could cause all or any part of the Subject Property to be contaminated with any Hazardous Materials or otherwise be in violation of any Hazardous Materials Laws, or cause the Subject Property to be subject to any restrictions on the ownership, occupancy, transferability or use thereof under any Hazardous Materials Laws.

4.10 Protection of Security. Mortgagor shall, at Mortgagor's sole expense: (a) protect, preserve and defend the Subject Property and Mortgagor's title and right to possession of the Subject Property against all adverse claims; (b) if Mortgagor's interest in the Subject Property is a leasehold interest or estate, pay and perform in a timely manner all obligations to be paid and/or performed by the lessee or tenant under the lease or other agreement creating such leasehold interest or estate; and (c) protect, preserve and defend the security of this Mortgage and the rights and powers of Mortgagee under this Mortgage against all adverse claims. Mortgagor shall give Mortgagee prompt notice in writing of the assertion of any claim, the filing of any action or proceeding, or the occurrence of any damage, condemnation offer or other action relating to or affecting the Subject Property and, if Mortgagor's interest in the Subject Property is a leasehold interest or estate, of any notice of default or demand for performance under the lease or other agreement pursuant to which such leasehold interest or estate was created or exists.

4.11 Powers and Duties of Mortgagee. Mortgagee may, upon written request, without obligation to do so or liability therefor and without notice: (a) release all or any part of the Subject Property from the lien of this Mortgage; (b) consent to the making of any map or plat of the Subject Property; and (c) join in any grant of easement or declaration of covenants and restrictions with respect to the Subject Property, or any extension agreement or any agreement subordinating the lien or charge of this Mortgage. Mortgagee may from time to time apply to any court of competent jurisdiction for aid and direction in the exercise or enforcement of its rights and remedies available under this Mortgage, and may obtain orders or decrees directing, confirming or approving acts in the exercise or enforcement of said rights and remedies. Mortgagee has no obligation to notify any party of any pending sale or any action or proceeding (including, but not limited to, actions in which Mortgagor or Mortgagee shall be a party) unless held or commenced and maintained by Mortgagee under this Mortgage.

4.12 Compensation; Exculpation; Indemnification.

(a) Mortgagor shall pay Mortgagee reasonable compensation for services rendered concerning this Mortgage, including without limitation, the providing of any statement of amounts owing under any Secured Obligation. Mortgagee shall not directly or indirectly be liable to Mortgagor or any other person as a consequence of: (i) the exercise of any rights, remedies or powers granted to Mortgagee in this Mortgage; (ii) the failure or refusal of Mortgagee to perform or discharge any obligation or liability of Mortgagor under this Mortgage or any Lease or other agreement related to the Subject Property; or (iii) any loss sustained by Mortgagor or any third party as a result of Mortgagee's failure to lease the Subject Property after any Default or from any other act or omission of Mortgagee in managing the Subject Property after any Default unless such loss is caused by the willful misconduct or gross negligence of Mortgagee; and no such liability shall be asserted or enforced against Mortgagee, and all such liability is hereby expressly waived and released by Mortgagor.

(b) Mortgagor shall indemnify Mortgagee against, and hold Mortgagee harmless from, any and all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, costs of evidence of title, costs of evidence of value, and other expenses which Mortgagee may suffer or incur: (i) by reason of this Mortgage; (ii) by reason of the performance of any act required or permitted hereunder or by law; (iii) as a result of any failure of Mortgagor to perform Mortgagor's obligations; or (iv) by reason of any alleged obligation or undertaking of Mortgagee to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Subject Property, including without limitation, the payment of any taxes, assessments, rents or other lease obligations, liens, encumbrances or other obligations of Mortgagor under this Mortgage. Mortgagor's duty to indemnify Mortgagee shall survive the payment, discharge or cancellation of the Secured Obligations and the release or satisfaction, in whole or in part, of this Mortgage.

(c) Mortgagor shall pay all indebtedness arising under this Section 4.12 immediately upon demand by Mortgagee, together with interest thereon from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation. Mortgagee may, at its option, add any such indebtedness to any Secured Obligation.

4.13 Due on Sale or Encumbrance. Except as permitted by the provisions of any Secured Obligation or applicable law, if the Subject Property or any interest therein shall be sold, transferred (including without limitation, where applicable, through sale or transfer of a majority or controlling interest of the corporate stock, or any general partnership, limited liability company or other similar interests, of Mortgagor), mortgaged, assigned, encumbered or leased, whether voluntarily, involuntarily or by operation of law (each of which actions and events is called a "Transfer"), without Mortgagee's prior written consent, THEN Mortgagee may, at its sole option, declare all Secured Obligations immediately due and payable in full. Mortgagor shall notify Mortgagee in writing of each Transfer within ten (10) business days of the date thereof.

4.14 Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under any Secured Obligation (each, an "Interested Party"), Mortgagee may, from time to time, release any Interested Party from liability for the payment of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation,

accept additional security, and enforce, waive, subordinate or release all or a portion of the Subject Property or any other security for any Secured Obligation. None of the foregoing actions shall release or reduce the personal liability of any Interested Party, nor release or impair the priority of the lien of this Mortgage upon the Subject Property.

4.15 Release of Mortgage. Upon satisfaction in full of the Secured Obligations, Mortgagee, without warranty, shall deliver for recording in the appropriate real property records a satisfaction or release of Mortgage for the Subject Property, or that portion thereof then covered hereby, from the lien of this Mortgage.

4.16 Subrogation. Mortgagee shall be subrogated to the lien of all encumbrances, whether or not released of record, paid in whole or in part by Mortgagee pursuant to this Mortgage or by the proceeds of any Secured Obligation.

4.17 Mortgagor Different From Obligor ("Third Party Mortgagor"). As used in this Section 4.17, the term "Obligor" shall mean each person or entity obligated in any manner under any of the Secured Obligations; and the term "Third Party Mortgagor" shall mean (1) each person or entity included in the definition of Mortgagor herein and which is not an Obligor, and (2) if any Obligor is not included in the definition of Mortgagor herein, each Mortgagor.

(a) Representations and Warranties. Each Third Party Mortgagor represents and warrants to Mortgagee that: (i) this Mortgage is executed at an Obligor's request; (ii) this Mortgage complies with all agreements between each Third Party Mortgagor and any Obligor regarding such Third Party Mortgagor's execution hereof; (iii) Mortgagee has made no representation to any Third Party Mortgagor as to the creditworthiness of any Obligor; and (iv) each Third Party Mortgagor has established adequate means of obtaining from each Obligor on a continuing basis financial and other information pertaining to such Obligor's financial condition. Each Third Party Mortgagor agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect such Third Party Mortgagor's risks hereunder. Each Third Party Mortgagor further agrees that Mortgagee shall have no obligation to disclose to any Third Party Mortgagor any information or material about any Obligor which is acquired by Mortgagee in any manner. The liability of each Third Party Mortgagor hereunder shall be reinstated and revived, and the rights of Mortgagee shall continue if and to the extent that for any reason any amount at any time paid on account of any Secured Obligation is rescinded or must otherwise be restored by Mortgagee, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid. The determination as to whether any amount so paid must be rescinded or restored shall be made by Mortgagee in its sole discretion; provided, however, that if Mortgagee chooses to contest any such matter at the request of any Third Party Mortgagor, each Third Party Mortgagor agrees to indemnify and hold Mortgagee harmless from and against all costs and expenses, including reasonable attorneys' fees, expended or incurred by Mortgagee in connection therewith, including without limitation, in any litigation with respect thereto.

(b) Waivers.

(i) Each Third Party Mortgagor waives any right to require Mortgagee to: (A) proceed against any Obligor or any other person; (B) marshal assets or proceed against or exhaust any security held from any Obligor or any other person; (C) give notice of the terms, time and place of any public or private sale or other disposition of personal property security held from any Obligor or any other person; (D) take any action or pursue any other remedy in Mortgagee's power; or (E) make any presentment or demand for performance, or give any notice of nonperformance, protest, notice of protest or notice of dishonor hereunder or in connection

with any obligations or evidences of indebtedness held by Mortgagee as security for or which constitute in whole or in part the Secured Obligations, or in connection with the creation of new or additional obligations.

(ii) Each Third Party Mortgagor waives any defense to its obligations hereunder based upon or arising by reason of: (A) any disability or other defense of any Obligor or any other person; (B) the cessation or limitation from any cause whatsoever, other than payment in full, of any Secured Obligation; (C) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf of any Obligor which is a corporation, partnership or other type of entity, or any defect in the formation of any such Obligor; (D) the application by any Obligor of the proceeds of any Secured Obligation for purposes other than the purposes represented by any Obligor to, or intended or understood by, Mortgagee or any Third Party Mortgagor; (E) any act or omission by Mortgagee which directly or indirectly results in or aids the discharge of any Obligor or any portion of any Secured Obligation by operation of law or otherwise, or which in any way impairs or suspends any rights or remedies of Mortgagee against any Obligor; (F) any impairment of the value of any interest in any security for the Secured Obligations or any portion thereof, including without limitation, the failure to obtain or maintain perfection or recordation of any interest in any such security, the release of any such security without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such security; (G) any modification of any Secured Obligation, in any form whatsoever, including without limitation the renewal, extension, acceleration or other change in time for payment of, or other change in the terms of, any Secured Obligation or any portion thereof, including increase or decrease of the rate of interest thereon; or (H) any requirement that Mortgagee give any notice of acceptance of this Mortgage. Until all Secured Obligations shall have been paid in full, no Third Party Mortgagor shall have any right of subrogation, and each Third Party Mortgagor waives any right to enforce any remedy which Mortgagee now has or may hereafter have against any Obligor or any other person, and waives any benefit of, or any right to participate in, any security now or hereafter held by Mortgagee. Each Third Party Mortgagor further waives all rights and defenses it may have arising out of: (1) any election of remedies by Mortgagee, even though that election of remedies, such as a non-judicial foreclosure with respect to any security for any portion of the Secured Obligations, destroys such Third Party Mortgagor's rights of subrogation or such Third Party Mortgagor's rights to proceed against any Obligor for reimbursement; or (2) any loss of rights any Third Party Mortgagor may suffer by reason of any rights, powers or remedies of any Obligor in connection with any anti-deficiency laws or any other laws limiting, qualifying or discharging any Obligor's obligations.

(iii) If any of said waivers is determined to be contrary to any applicable law or public policy, such waiver shall be effective to the extent permitted by applicable law or public policy.

ARTICLE V. DEFAULT PROVISIONS

5.01 Default. The occurrence of any of the following shall constitute a "Default" under this Mortgage: (a) Mortgagor shall fail to observe or perform any obligation or agreement contained herein; (b) any representation or warranty of Mortgagor herein shall prove to be incorrect, false or misleading in any material respect when made; or (c) any default in the payment or performance of any obligation, or any defined event of default, under any provisions of the Dairy Cow Master Lease or any other contract, instrument or document executed in connection with, or with respect to, any Secured Obligation.

5.02 Rights and Remedies. Upon the occurrence of any Default, and at any time thereafter, Mortgagee shall have all the following rights and remedies:

- (a) With or without notice, to declare all Secured Obligations immediately due and payable in full.
- (b) With or without notice, without releasing Mortgagor from any Secured Obligation and without becoming a mortgagee in possession, to cure any Default of Mortgagor and, in connection therewith: (i) to enter upon the Subject Property and to do such acts and things as Mortgagee deems necessary or desirable to protect the security of this Mortgage, including without limitation, to appear in and defend any action or proceeding purporting to affect the security of this Mortgage or the rights or powers of Mortgagee hereunder; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of Mortgagee, is senior in priority to this Mortgage, the judgment of Mortgagee being conclusive as between the parties hereto; (iii) to obtain, and to pay any premiums or charges with respect to, any insurance required to be carried hereunder; and (iv) to employ counsel, accountants, contractors and other appropriate persons to assist Mortgagee.
- (c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Mortgage or to obtain specific enforcement of the covenants of Mortgagor under this Mortgage, and Mortgagor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy. For the purposes of any suit brought under this subsection, Mortgagor waives the defenses of laches and any applicable statute of limitations.
- (d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and without regard to: (i) the adequacy of the security for the repayment of the Secured Obligations; (ii) the existence of a declaration that the Secured Obligations are immediately due and payable; or (iii) the filing of a notice of default; and Mortgagor consents to such appointment.
- (e) To take and possess all documents, books, records, papers and accounts of Mortgagor or the then owner of the Subject Property; to make or modify Leases of, and other agreements with respect to, the Subject Property upon such terms and conditions as Mortgagee deems proper; and to make repairs, alterations and improvements to the Subject Property deemed necessary, in Mortgagee's judgment, to protect or enhance the security hereof.
- (f) Subject to the Idaho one-action rule, to resort to and realize upon the security hereunder and any other security now or later held by Mortgagee concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received in accordance with Section 5.03 hereof, all in such order and manner as Mortgagee shall determine in its sole discretion.
- (g) Upon sale of the Subject Property at any judicial foreclosure, Mortgagee may credit bid (as determined by Mortgagee in its sole discretion) all or any portion of the Secured Obligations. In determining such credit bid, Mortgagee may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Subject Property as such appraisals may be discounted or adjusted by Mortgagee in its sole underwriting discretion; (ii) expenses and costs incurred by Mortgagee with respect to the Subject Property prior to foreclosure; (iii) expenses and costs which Mortgagee anticipates will be incurred with respect to the Subject Property after foreclosure, but prior to resale, including without limitation, costs of structural reports and other due diligence, costs to carry the Subject Property prior to resale, costs of resale

(e.g., commissions, attorneys' fees, and taxes), Hazardous Materials clean-up and monitoring, deferred maintenance, repair, refurbishment and retrofit, and costs of defending or settling litigation affecting the Subject Property; (iv) declining trends in real property values generally and with respect to properties similar to the Subject Property; (v) anticipated discounts upon resale of the Subject Property as a distressed or foreclosed property; (vi) the existence of additional collateral, if any, for the Secured Obligations; and (vii) such other factors or matters that Mortgagee deems appropriate. Mortgagor acknowledges and agrees that: (A) Mortgagee is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (B) this Section does not impose upon Mortgagee any additional obligations that are not imposed by law at the time the credit bid is made; (C) the amount of Mortgagee's credit bid need not have any relation to any loan-to-value ratios specified in any agreement between Mortgagor and Mortgagee or previously discussed by Mortgagor and Mortgagee; and (D) Mortgagee's credit bid may be, at Mortgagee's sole discretion, higher or lower than any appraised value of the Subject Property.

5.03 Application of Foreclosure Sale Proceeds. After deducting all costs, fees and expenses of sale, including costs of evidence of title and attorneys' fees in connection with a sale, all proceeds of any foreclosure sale shall be applied first, to payment of all Secured Obligations (including without limitation, all sums expended by Mortgagee under the terms hereof and not then repaid, with accrued interest at the highest rate per annum payable under any Secured Obligation), in such order and amounts as Mortgagee in its sole discretion shall determine; and the remainder, if any, to the person or persons legally entitled thereto.

5.04 Application of Other Sums. All Rents or other sums received by Mortgagee or any agent or receiver hereunder, less all costs and expenses incurred by Mortgagee or such agent or receiver, including reasonable attorneys' fees, shall be applied to payment of the Secured Obligations in such order as Mortgagee shall determine in its sole discretion; provided, however, that Mortgagee shall have no liability for funds not actually received by Mortgagee.

5.05 No Cure or Waiver. Neither Mortgagee's or any receiver's entry upon and taking possession of the Subject Property, nor any collection of Rents, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of any other right or remedy by Mortgagee or any receiver shall impair the status of the security of this Mortgage, or cure or waive any breach, Default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale (unless all Secured Obligations and any other sums then due hereunder have been paid in full and Mortgagor has cured all other Defaults), or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option of the Subject Property or a subordination of the lien of this Mortgage.

5.06 Costs, Expenses and Attorneys' Fees. Mortgagor agrees to pay to Mortgagee immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including court costs and reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Mortgagee's in-house counsel), expended or incurred by Mortgagee pursuant to this Article V, whether incurred at the trial or appellate level, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Mortgagee or any other person) relating to Mortgagor or in any way affecting any of the Subject Property or Mortgagee's ability to exercise any of its rights or remedies with respect thereto. All of the foregoing shall be paid by Mortgagor with interest from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation.

5.07 Power to File Notices and Cure Defaults. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns as Mortgagor's true attorney-in-fact to perform any of the following powers, which agency is coupled with an interest: (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest; and (b) upon the occurrence of any event, act or omission which with the giving of notice or the passage of time, or both, would constitute a Default, to perform any obligation of Mortgagor hereunder; provided, however, that Mortgagee, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Mortgagee, and Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to act under this Section.

5.08 Remedies Cumulative; No Waiver. All rights, powers and remedies of Mortgagee hereunder are cumulative and are in addition to all rights, powers and remedies provided by law or in any other agreements between Mortgagor and Mortgagee. No delay, failure or discontinuance of Mortgagee in exercising any right, power or remedy hereunder shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy.

ARTICLE VI. MISCELLANEOUS PROVISIONS

6.01 No Merger. No merger shall occur as a result of Mortgagee's acquiring any other estate in, or any other lien on, the Subject Property unless Mortgagee specifically consents to a merger in writing.

6.02 Execution of Documents. Mortgagor agrees, upon demand by Mortgagee, to execute any and all documents and instruments required to effectuate the provisions hereof.

6.03 Right of Inspection. Mortgagee or its agents or employees may enter onto the Subject Property at any reasonable time for the purpose of inspecting the Subject Property and ascertaining Mortgagor's compliance with the terms hereof.

6.04 Notices. All notices, requests and demands which Mortgagor or Mortgagee is required or may desire to give to the other party must be in writing, delivered to Mortgagee at the following address:

EQUITY LIVESTOCK CREDIT CORPORATION
E10890 Penny Lane
Baraboo, WI 53913

Attention: Charles Adami

and to Mortgagor at its address set forth at the signature lines below, or at such other address as either party shall designate by written notice to the other party in accordance with the provisions hereof.

6.05 Successors; Assignment. This Mortgage shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto; provided, however, that this Section does not waive the provisions of Section 4.13 hereof. Mortgagee reserves the right to sell, assign, transfer, negotiate or grant participations in

all or any part of, or any interest in, Mortgagee's rights and benefits under any and all Secured Obligations and this Mortgage. In connection therewith, Mortgagee may disclose all documents and information which Mortgagee now has or hereafter acquires relating to the Subject Property, all or any of the Secured Obligations and/or Mortgagor and, as applicable, any partners, joint venturers or members of Mortgagor, whether furnished by any Mortgagor or otherwise.

6.06 Rules of Construction. (a) When appropriate based on the identity of the parties or other circumstances, the masculine gender includes the feminine or neuter or both, and the singular number includes the plural; (b) the term "Subject Property" means all and any part of or interest in the Subject Property; (c) all Section headings herein are for convenience of reference only, are not a part of this Mortgage, and shall be disregarded in the interpretation of any portion of this Mortgage; (d) if more than one person or entity has executed this Mortgage as "Mortgagor," the obligations of all such Mortgagors hereunder shall be joint and several; and (e) all terms of Exhibit A, and each other exhibit and/or rider attached hereto and recorded herewith, are hereby incorporated into this Mortgage by this reference.

6.07 Severability of Provisions. If any provision of this Mortgage shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Mortgage.

6.08 Recourse to Separate Property. Any married person who executes this Mortgage as a Mortgagor and who is obligated under any Secured Obligation agrees that any money judgment which Mortgagee obtains pursuant to the terms of this Mortgage or any other obligation of that married person secured by this Mortgage may be collected by execution upon that person's separate property, and any community property of which that person is a manager.

6.09 Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Idaho.

[Signatures on next page.]

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first set forth above.

Mortgagor

Address

By: Kristi L. Heidemann 670. E. 170 N.
Kristi L. Heidemann Jerome, Idaho 83338

Acknowledgement:

STATE OF Idaho)
County of Minidoka) ss.

On this 27th day of May, in the year 2004, before me, Brent T. Robinson, personally appeared Kristi L. Heidemann known or identified to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Brent T. Robinson
Notary Public
Residing at Boysen Idaho
Comm. Expires 11/27/2006

SEAL

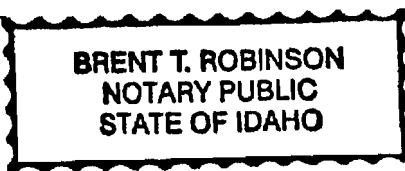


EXHIBIT A
(Description of Property)

Exhibit A to Mortgage and Assignment of Rents and Leases executed by KRISTI L. HEIDEMANN, as Mortgagor, to EQUITY LIVESTOCK CREDIT CORPORATION, as Mortgagee, dated as of February 11, 2004.

Description of Property

PARCEL 1:

TOWNSHIP EIGHT (8) SOUTH, RANGE EIGHTEEN (18) EAST OF THE BOISE MERIDIAN; JEROME COUNTY, IDAHO

Section Seven (7): LOTS Three (3) AND (4), the East Half (E ½) of the Southwest Quarter (SW ¼) and the Southeast Quarter (SE ¼).

PARCEL 2:

TOWNSHIP EIGHT (8) SOUTH, RANGE EIGHTEEN (18) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Six (6): The Southwest Quarter (SW¼) of the Southeast Quarter (SE¼)

Section Seven (7): The East Half (E½) of the Northwest Quarter (NW¼), the West Half (W½) of the Northeast Quarter (NE¼), the Southeast Quarter (SE¼) of the Northeast Quarter NE¼, and Lots One (1) and Two (2).

PARCEL 3:

TOWNSHIP EIGHT (8) SOUTH, RANGE SEVENTEEN (17) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Twelve (12): E½

PARCEL 4:

TOWNSHIP EIGHT (8) SOUTH, RANGE SEVENTEEN (17) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Eleven (11): NE¼, EXCEPTING THEREFROM that portion of the NW¼ NE¼ conveyed to Idaho Transportation Board for the Division of Highways as set forth in Quitclaim Deed dated April 19, 1984, recorded May 17, 1984 as Instrument No. 281988, Jerome County Records and in Quitclaim Deed dated March 20, 1984, recorded May 17, 1984 as Instrument No. 281989, Jerome County Records.

Section Twelve (12): The Northwest Quarter (NW¼).

Instrument #: 2051478
JEROME COUNTY, JEROME, IDAHO
2005-03-23 11:36:36 No. of Pages: 16
Recorded for : HOLLAND & HART
CHERYL WATTS Fee: 48.00
Ex-Officio Recorder Deputy *CBunch*

Recording Requested By,
And After Recording, Return To:
Equity Livestock Credit Corporation
E10890 Penny Lane, Baraboo, WI 53913
Attn: Charles Adami

MORTGAGE
AND ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE AND ASSIGNMENT (this "Mortgage") is executed as of March 16, 2005, by KRISTI L. HEIDEMANN, a married woman dealing with her sole and separate property (the "Mortgagor"), to EQUITY LIVESTOCK CREDIT CORPORATION, a Wisconsin corporation (together with its successors and assigns, the "Mortgagee").

ARTICLE I. MORTGAGE

1.01 Grant. For the purposes and upon the terms and conditions in this Mortgage, Mortgagor irrevocably mortgages, grants, conveys and assigns to Mortgagee, with the right of entry and possession, Mortgagor's interest in: (a) all real property located in Jerome County, Idaho, and described on Exhibit A attached hereto; (b) all easements, rights-of-way and rights used in connection with or as a means of access to any portion of said real property; (c) all tenements, hereditaments and appurtenances thereof and thereto; (d) all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining said real property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with said real property; (e) all buildings, improvements and landscaping now or hereafter erected or located on said real property; (f) all development rights, governmental or quasi-governmental licenses, permits or approvals, zoning rights and other similar rights or interests which relate to the development, use or operation of, or that benefit or are appurtenant to, said real property; (g) all mineral rights, oil and gas rights, air rights, water or water rights, including without limitation, all wells, canals, ditches and reservoirs of any nature and all rights thereto, appurtenant to or associated with said real property, whether decreed or undeclared, tributary or non-tributary, surface or underground, appropriated or unappropriated, and all shares of stock in any water, canal, ditch or reservoir company, and all well permits, water service contracts, drainage rights and other evidences of any such rights; and (h) all interest or estate which Mortgagor now has or may hereafter acquire in said real property and all additions and accretions thereto, and all awards or payments made for the taking of all or any portion of said real property by eminent domain or any proceeding or purchase in lieu thereof, or any damage to any portion of said real property (collectively, the "Subject Property"). The listing of specific rights or property shall not be interpreted as a limitation of general terms.

1.02 Address. The address of the Subject Property (if known) is: 500 East 150 North [670 East 170 North], Jerome, Idaho. Neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this

Mortgage on the Subject Property as described on Exhibit A. In the event of any conflict between the provisions of Exhibit A and said address, Exhibit A shall control.

ARTICLE II. OBLIGATIONS SECURED

2.01 Obligations Secured. Mortgagor makes this grant and assignment for the purpose of securing the following obligations (each, a "Secured Obligation" and collectively, the "Secured Obligations"):

(a) payment and performance of the obligations of Mortgagor, as borrower, arising under that certain Credit Agreement of even date herewith, between Mortgagee, as lender, and Mortgagor, as borrower (the "Credit Agreement"), that certain Line of Credit Note of even date herewith in the original principal amount of \$380,000 executed by Mortgagor in favor of Mortgagee (the "Line of Credit Note") and all other documents, instruments and agreements executed or entered into in connection with the Credit Agreement or the Line of Credit Note (the "Loan Documents"). The maturity of the Line of Credit Note is sixty (60) months after the Trigger Date, as defined in the Credit Agreement; and

(b) payment and performance of all obligations of Mortgagor under this Mortgage, together with all advances, payments or other expenditures made by Mortgagee as or for the payment or performance of any such obligations of Mortgagor; and

(c) payment and performance of all future advances and other obligations that the then record owner of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when any such advance or other obligation is evidenced by a writing which recites that it is secured by this Mortgage; and

(d) all modifications, extensions and renewals of any of the Secured Obligations (including without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes.

2.02 Obligations. The term "obligations" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, joint or several, including without limitation, all principal, interest, charges, including prepayment charges and late charges, and loan fees at any time accruing or assessed on any Secured Obligation.

2.03 Incorporation. All terms of the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property are hereby deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) borrowing, repayment and reborrowing may be permitted in connection with one or more of the Secured Obligations; and (b) the rate of interest on one or more of the Secured Obligations may vary from time to time.

ARTICLE III. ASSIGNMENT OF RENTS

3.01 Assignment. For the purposes and upon the terms and conditions set forth herein, Mortgagor irrevocably assigns to Mortgagee all of Mortgagor's right, title and interest in, to and under all leases, licenses, rental agreements and other agreements of any kind relating to the use or occupancy of any of the Subject Property, whether existing as of the date hereof or at any time hereafter entered into, together with all guarantees of and security for any tenant's or lessee's performance thereunder, and all amendments, extensions, renewals and modifications thereto (each, a "Lease" and collectively, the "Leases"), together with any and all other rents, issues and profits of the Subject Property (collectively, "Rents"). This assignment shall not impose upon Mortgagee any duty to produce Rents from the Subject Property, nor cause Mortgagee to be: (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor or landlord under any Lease; or (c) responsible for any waste committed by any person or entity at any time in possession of the Subject Property or any part thereof, or for any dangerous or defective condition of the Subject Property, or for any negligence in the management, upkeep, repair or control of the Subject Property. This is an absolute assignment, not an assignment for security only, and Mortgagee's right to Rents is not contingent upon and may be exercised without taking possession of the Subject Property. Mortgagor agrees to execute and deliver to Mortgagee, within five (5) days of Mortgagee's written request, such additional documents as Mortgagee may reasonably request to further evidence the assignment to Mortgagee of any and all Leases and Rents. Mortgagor, at Mortgagor's option and without notice, may notify any lessee or tenant of this assignment of the Leases and Rents.

3.02 Protection of Security. To protect the security of this assignment, Mortgagor agrees:

(a) At Mortgagor's sole cost and expense: (i) to perform each obligation to be performed by the lessor or landlord under each Lease and to enforce or secure the performance of each obligation to be performed by the lessee or tenant under each Lease; (ii) not to modify any Lease in any material respect, nor accept surrender under or terminate the term of any Lease; (iii) not to anticipate the Rents under any Lease; and (iv) not to waive or release any lessee or tenant of or from any Lease obligations. Mortgagor assigns to Mortgagee all of Mortgagor's right and power to modify the terms of any Lease, to accept a surrender under or terminate the term of or anticipate the Rents under any Lease, and to waive or release any lessee or tenant of or from any Lease obligations, and any attempt on the part of Mortgagor to exercise any such rights or powers without Mortgagee's prior written consent shall be a breach of the terms hereof.

(b) At Mortgagor's sole cost and expense, to defend any action in any manner connected with any Lease or the obligations thereunder, and to pay all costs of Mortgagee, including reasonable attorneys' fees, in any such action in which Mortgagee may appear.

(c) That, should Mortgagor fail to do any act required to be done by Mortgagor under a Lease, then Mortgagee, but without obligation to do so and without notice to Mortgagor and without releasing Mortgagor from any obligation hereunder, may make or do the same in such manner and to such extent as Mortgagee deems necessary to protect the security hereof, and, in exercising such powers, Mortgagee may employ attorneys and other agents, and Mortgagor shall pay necessary costs and reasonable attorneys' fees incurred by Mortgagee, or its agents, in the exercise of the powers granted herein. Mortgagor shall give prompt notice to Mortgagee of any default by any lessee or tenant under any Lease, and of any notice of default on the part of Mortgagor under any Lease received from a lessee or tenant thereunder, together with an accurate and complete copy thereof.

(d) To pay to Mortgagee 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 Secured Obligation, and the same, at Mortgagee's option, may be added to any Secured Obligation and shall be secured hereby.

3.03 License. Mortgagee confers upon Mortgagor a license ("License") to collect and retain the Rents as, but not before, they come due and payable, until the occurrence of any Default (as defined in Section 5.01 hereof). Upon the occurrence of any Default, the License shall be automatically revoked, and Mortgagee may, at Mortgagee's option and without notice, either in person or by agent, with or without bringing any action, or by a receiver to be appointed by a court: (a) enter, take possession of, manage and operate the Subject Property or any part thereof; (b) make, cancel, enforce or modify any Lease; (c) obtain and evict tenants, fix or modify Rents, and do any acts which Mortgagee deems proper to protect the security hereof; and (d) either with or without taking possession of the Subject Property, in its own name, sue for or otherwise collect and receive all Rents, including those past due and unpaid, and apply the same in accordance with the provisions of this Mortgage. The entering and taking possession of the Subject Property, the collection of Rents and the application thereof as aforesaid, shall not cure or waive any Default, nor waive, modify or affect any notice of default hereunder, nor invalidate any act done pursuant to any such notice. The License shall not grant to Mortgagee the right to possession, except as provided in this Mortgage.

ARTICLE IV. RIGHTS AND DUTIES OF THE PARTIES

4.01 Title. Mortgagor warrants that Mortgagor lawfully possesses and holds fee simple title to the Subject Property without limitation on the right to encumber as provided herein, that the Subject Property is not community property, but is Mortgagor's sole and separate property, and that this Mortgage is a valid lien on the Subject Property and all of Mortgagor's interest therein.

4.02 Taxes and Assessments. Subject to the right, if any, of Mortgagor to contest payment of the following pursuant to any other agreement between Mortgagor and Mortgagee, Mortgagor shall pay, prior to delinquency, all taxes, assessments, levies and charges imposed: (a) by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Subject Property or any interest therein; or (b) by any public authority upon Mortgagee by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Mortgagee pursuant to any Secured Obligation; provided, however, that Mortgagor shall have no obligation to pay any income taxes of Mortgagee. Promptly upon request by Mortgagee, Mortgagor shall furnish to Mortgagee satisfactory evidence of the payment of all of the foregoing. Mortgagee is hereby authorized to request and receive from the responsible governmental and non-governmental personnel written statements with respect to the accrual and payment of any of the foregoing.

4.03 Performance of Secured Obligations. Mortgagor shall promptly pay and perform each Secured Obligation when due.

4.04 Liens, Encumbrances and Charges. Mortgagor shall immediately discharge any lien on the Subject Property not approved by Mortgagee in writing. Except as otherwise provided in any Secured Obligation or other agreement with Mortgagee, Mortgagor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber the Subject Property, whether senior or subordinate hereto, including without limitation, any mechanics' liens.

4.05 Insurance. Mortgagor shall insure the Subject Property against loss or damage by fire and such other risks as Mortgagee shall from time to time require. Mortgagor shall carry public liability insurance, flood insurance as required by applicable law and such other insurance as Mortgagee may reasonably require, including without limitation, business interruption insurance or loss of rental value insurance. Mortgagor shall maintain all required insurance at Mortgagor's expense, under policies issued by companies and in form and substance satisfactory to Mortgagee. Mortgagee, by reason of accepting, rejecting, approving or obtaining insurance, shall not incur any liability for: (a) the existence, nonexistence, form or legal sufficiency thereof; (b) the solvency of any insurer; or (c) the payment of losses. All policies and certificates of insurance shall name Mortgagee as loss payee, and shall provide that the insurance cannot be terminated as to Mortgagee except upon a minimum of ten (10) days' prior written notice to Mortgagee. Immediately upon any request by Mortgagee, Mortgagor shall deliver to Mortgagee the original of all such policies or certificates, with receipts evidencing annual prepayment of the premiums.

4.06 Tax and Insurance Impounds. At Mortgagee's option and upon its demand, Mortgagor shall, until all Secured Obligations have been paid in full, pay to Mortgagee monthly, annually or as otherwise directed by Mortgagee an amount estimated by Mortgagee to be equal to: (a) all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Subject Property and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, other hazard and mortgage insurance next due. If Mortgagee determines that amounts paid by Mortgagor are insufficient for the payment in full of such taxes, assessments, levies and/or insurance premiums, Mortgagee shall notify Mortgagor of the increased amount required for the payment thereof when due, and Mortgagor shall pay to Mortgagee such additional amount within thirty (30) days after notice from Mortgagee. All amounts so paid shall not bear interest, except to the extent and in the amount required by law. So long as there is no Default, Mortgagee shall apply said amounts to the payment of, or at Mortgagee's sole option release said funds to Mortgagor for application to and payment of, such taxes, assessments, levies, charges and insurance premiums. If a Default exists, Mortgagee at its sole option may apply all or any part of said amounts to any Secured Obligation and/or to cure such Default, in which event Mortgagor shall be required to restore all amounts so applied, as well as to cure any Default not cured by such application. Mortgagor hereby grants and transfers to Mortgagee a security interest in all amounts so paid and held in Mortgagee's possession, and all proceeds thereof, to secure the payment and performance of each Secured Obligation. Upon assignment of this Mortgage, Mortgagee shall have the right to assign all amounts collected and in its possession to its assignee, whereupon Mortgagee shall be released from all liability with respect thereto. The existence of said impounds shall not limit Mortgagee's rights under any other provision of this Mortgage or any other agreement, statute or rule of law. Within ninety-five (95) days following full repayment of all Secured Obligations (other than as a consequence of a foreclosure or conveyance in lieu of foreclosure of the liens and security interests securing any Secured Obligation), or at such earlier time as Mortgagee in its discretion may elect, the balance of all amounts collected and in Mortgagee's possession shall be paid to Mortgagor, and no other party shall have any right of claim thereto.

4.07 Damages; Insurance and Condemnation Proceeds.

(a) (i) All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation (or transfer in lieu thereof) for public or private use affecting the Subject Property; (ii) all other claims and awards for damages to or decrease in value of the Subject Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to the Subject Property; and (iv) all interest which may accrue on any of the foregoing, are all absolutely and irrevocably assigned to and shall be paid to Mortgagee. At

the absolute discretion of Mortgagee, whether or not its security is or may be impaired, but subject to applicable law if any, and without regard to any requirement contained in any other Section hereof, Mortgagee may apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any such claim and apply the balance to the Secured Obligations in any order, and release all or any part of the proceeds to Mortgagor upon any conditions Mortgagee may impose. Mortgagee may commence, appear in, defend or prosecute any assigned claim or action, and may adjust, compromise, settle and collect all claims and awards assigned to Mortgagee; provided, however, that in no event shall Mortgagee be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

(b) At its sole option, Mortgagee may permit insurance or condemnation proceeds held by Mortgagee to be used for repair or restoration but may impose any conditions on such use as Mortgagee deems necessary.

4.08 Maintenance and Preservation of Subject Property. Subject to the provisions of any Secured Obligation, Mortgagor covenants:

- (a) to keep the Subject Property in good condition and repair;
- (b) except with Mortgagee's prior written consent, not to remove or demolish the Subject Property, nor alter, restore or add to the Subject Property, nor initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property;
- (c) to restore promptly and in good workmanlike manner any portion of the Subject Property which may be damaged or destroyed, unless Mortgagee requires that all of the insurance proceeds be used to reduce the Secured Obligations as provided in Section 4.07 hereof;
- (d) to comply with and not to suffer violation of any or all of the following which govern acts or conditions on, or otherwise affect the Subject Property: (i) laws, ordinances, regulations, standards and judicial and administrative rules and orders; (ii) covenants, conditions, restrictions and equitable servitudes, whether public or private; and (iii) requirements of insurance companies and any bureau or agency which establishes standards of insurability;
- (e) not to commit or permit waste of the Subject Property; and
- (f) to do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

4.09 Hazardous Substances; Environmental Provisions. Mortgagor represents and warrants to Mortgagee as follows:

- (a) Except as disclosed to Mortgagee in writing prior to the date hereof, the Subject Property is not and has not been a site for the use, generation, manufacture, storage, treatment, disposal, release or threatened release, transportation or presence of any substances which are "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under the Hazardous Materials Laws, as defined below, and/or other applicable environmental laws, ordinances and regulations (collectively, "Hazardous Materials").
- (b) The Subject Property is in compliance with all laws, ordinances and regulations relating to Hazardous Materials (collectively, the "Hazardous Materials Laws"), including without limitation, the Clean Air Act, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act

of 1986, the Federal Toxic Substances Control Act and the Occupational Safety and Health Act, as any of the same may be amended, modified or supplemented from time to time, and any other applicable federal, state or local environmental laws, and any rules or regulations adopted pursuant to any of the foregoing.

(c) There are no claims or actions pending or threatened against Mortgagor or the Subject Property by any governmental entity or agency, or any other person or entity, relating to any Hazardous Materials or pursuant to any Hazardous Materials Laws.

(d) Mortgagor hereby agrees to defend, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns, from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation, attorneys' fees and expenses) which Mortgagee may incur as a direct or indirect consequence of the use, generation, manufacture, storage, treatment, disposal, release or threatened release, transportation or presence of Hazardous Materials in, on, under or about the Subject Property. Mortgagor shall pay to Mortgagee immediately upon demand any amounts owing under this indemnity, together with interest from the date of demand until paid in full at the highest rate of interest applicable to any Secured Obligation. **MORTGAGOR'S DUTY AND OBLIGATION TO DEFEND, INDEMNIFY AND HOLD HARMLESS MORTGAGEE SHALL SURVIVE THE CANCELLATION OF THE SECURED OBLIGATIONS AND THE RELEASE OR PARTIAL RELEASE OF THIS MORTGAGE.**

(e) Mortgagor shall immediately advise Mortgagee in writing upon Mortgagor's discovery of any occurrence or condition on the Subject Property, or on any real property adjoining or in the vicinity of the Subject Property, that does or could cause all or any part of the Subject Property to be contaminated with any Hazardous Materials or otherwise be in violation of any Hazardous Materials Laws, or cause the Subject Property to be subject to any restrictions on the ownership, occupancy, transferability or use thereof under any Hazardous Materials Laws.

4.10 Protection of Security. Mortgagor shall, at Mortgagor's sole expense: (a) protect, preserve and defend the Subject Property and Mortgagor's title and right to possession of the Subject Property against all adverse claims; (b) if Mortgagor's interest in the Subject Property is a leasehold interest or estate, pay and perform in a timely manner all obligations to be paid and/or performed by the lessee or tenant under the lease or other agreement creating such leasehold interest or estate; and (c) protect, preserve and defend the security of this Mortgage and the rights and powers of Mortgagee under this Mortgage against all adverse claims. Mortgagor shall give Mortgagee prompt notice in writing of the assertion of any claim, the filing of any action or proceeding, or the occurrence of any damage, condemnation offer or other action relating to or affecting the Subject Property and, if Mortgagor's interest in the Subject Property is a leasehold interest or estate, of any notice of default or demand for performance under the lease or other agreement pursuant to which such leasehold interest or estate was created or exists.

4.11 Powers and Duties of Mortgagee. Mortgagee may, upon written request, without obligation to do so or liability therefor and without notice: (a) release all or any part of the Subject Property from the lien of this Mortgage; (b) consent to the making of any map or plat of the Subject Property; and (c) join in any grant of easement or declaration of covenants and restrictions with respect to the Subject Property, or any extension agreement or any agreement subordinating the lien or charge of this Mortgage. Mortgagee may from time to time apply to any court of competent jurisdiction for aid and direction in the exercise or enforcement of its rights and remedies available under this Mortgage, and may obtain orders or decrees directing, confirming or approving acts in the exercise or enforcement of said rights and remedies. Mortgagee has no obligation to notify any party of any pending sale or any action or proceeding

(including, but not limited to, actions in which Mortgagor or Mortgagee shall be a party) unless held or commenced and maintained by Mortgagee under this Mortgage.

4.12 Compensation; Exculpation; Indemnification

(a) Mortgagor shall pay Mortgagee reasonable compensation for services rendered concerning this Mortgage, including without limitation, the providing of any statement of amounts owing under any Secured Obligation. Mortgagee shall not directly or indirectly be liable to Mortgagor or any other person as a consequence of: (i) the exercise of any rights, remedies or powers granted to Mortgagee in this Mortgage; (ii) the failure or refusal of Mortgagee to perform or discharge any obligation or liability of Mortgagor under this Mortgage or any Lease or other agreement related to the Subject Property; or (iii) any loss sustained by Mortgagor or any third party as a result of Mortgagee's failure to lease the Subject Property after any Default or from any other act or omission of Mortgagee in managing the Subject Property after any Default unless such loss is caused by the willful misconduct or gross negligence of Mortgagee; and no such liability shall be asserted or enforced against Mortgagee, and all such liability is hereby expressly waived and released by Mortgagor.

(b) Mortgagor shall indemnify Mortgagee against, and hold Mortgagee harmless from, any and all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, costs of evidence of title, costs of evidence of value, and other expenses which Mortgagee may suffer or incur: (i) by reason of this Mortgage; (ii) by reason of the performance of any act required or permitted hereunder or by law; (iii) as a result of any failure of Mortgagor to perform Mortgagor's obligations; or (iv) by reason of any alleged obligation or undertaking of Mortgagee to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Subject Property, including without limitation, the payment of any taxes, assessments, rents or other lease obligations, liens, encumbrances or other obligations of Mortgagor under this Mortgage. Mortgagor's duty to indemnify Mortgagee shall survive the payment, discharge or cancellation of the Secured Obligations and the release or satisfaction, in whole or in part, of this Mortgage.

(c) Mortgagor shall pay all indebtedness arising under this Section 4.12 immediately upon demand by Mortgagee, together with interest thereon from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation. Mortgagee may, at its option, add any such indebtedness to any Secured Obligation.

4.13 Due on Sale or Encumbrance. Except as permitted by the provisions of any Secured Obligation or applicable law, if the Subject Property or any interest therein shall be sold, transferred (including without limitation, where applicable, through sale or transfer of a majority or controlling interest of the corporate stock, or any general partnership, limited liability company or other similar interests, of Mortgagor), mortgaged, assigned, encumbered or leased, whether voluntarily, involuntarily or by operation of law (each of which actions and events is called a "Transfer"), without Mortgagee's prior written consent, THEN Mortgagee may, at its sole option, declare all Secured Obligations immediately due and payable in full. Mortgagor shall notify Mortgagee in writing of each Transfer within ten (10) business days of the date thereof.

4.14 Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under any Secured Obligation (each, an "Interested Party"), Mortgagee may, from time to time, release any Interested Party from liability for the payment of any Secured Obligation, take any action or make any agreement extending the

maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, accept additional security, and enforce, waive, subordinate or release all or a portion of the Subject Property or any other security for any Secured Obligation. None of the foregoing actions shall release or reduce the personal liability of any Interested Party, nor release or impair the priority of the lien of this Mortgage upon the Subject Property.

4.15 Release of Mortgage. Upon satisfaction in full of the Secured Obligations, Mortgagee, without warranty, shall deliver for recording in the appropriate real property records a satisfaction or release of Mortgage for the Subject Property, or that portion thereof then covered hereby, from the lien of this Mortgage.

4.16 Subrogation. Mortgagee shall be subrogated to the lien of all encumbrances, whether or not released of record, paid in whole or in part by Mortgagee pursuant to this Mortgage or by the proceeds of any Secured Obligation.

4.17 Mortgagor Different From Obligor ("Third Party Mortgagor"). As used in this Section 4.17, the term "Obligor" shall mean each person or entity obligated in any manner under any of the Secured Obligations; and the term "Third Party Mortgagor" shall mean (1) each person or entity included in the definition of Mortgagor herein and which is not an Obligor, and (2) if any Obligor is not included in the definition of Mortgagor herein, each Mortgagor.

(a) Representations and Warranties. Each Third Party Mortgagor represents and warrants to Mortgagee that: (i) this Mortgage is executed at an Obligor's request; (ii) this Mortgage complies with all agreements between each Third Party Mortgagor and any Obligor regarding such Third Party Mortgagor's execution hereof; (iii) Mortgagee has made no representation to any Third Party Mortgagor as to the creditworthiness of any Obligor; and (iv) each Third Party Mortgagor has established adequate means of obtaining from each Obligor on a continuing basis financial and other information pertaining to such Obligor's financial condition. Each Third Party Mortgagor agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect such Third Party Mortgagor's risks hereunder. Each Third Party Mortgagor further agrees that Mortgagee shall have no obligation to disclose to any Third Party Mortgagor any information or material about any Obligor which is acquired by Mortgagee in any manner. The liability of each Third Party Mortgagor hereunder shall be reinstated and revived, and the rights of Mortgagee shall continue if and to the extent that for any reason any amount at any time paid on account of any Secured Obligation is rescinded or must otherwise be restored by Mortgagee, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid. The determination as to whether any amount so paid must be rescinded or restored shall be made by Mortgagee in its sole discretion; provided, however, that if Mortgagee chooses to contest any such matter at the request of any Third Party Mortgagor, each Third Party Mortgagor agrees to indemnify and hold Mortgagee harmless from and against all costs and expenses, including reasonable attorneys' fees, expended or incurred by Mortgagee in connection therewith, including without limitation, in any litigation with respect thereto.

(b) Waivers.

(i) Each Third Party Mortgagor waives any right to require Mortgagee to: (A) proceed against any Obligor or any other person; (B) marshal assets or proceed against or exhaust any security held from any Obligor or any other person; (C) give notice of the terms, time and place of any public or private sale or other disposition of personal property security held from any Obligor or any other person; (D) take any action or pursue any other remedy in Mortgagee's power; or (E) make any presentment or demand for performance, or give any notice of nonperformance, protest, notice of protest or notice of dishonor hereunder or in connection

with any obligations or evidences of indebtedness held by Mortgagee as security for or which constitute in whole or in part the Secured Obligations, or in connection with the creation of new or additional obligations.

(ii) Each Third Party Mortgagor waives any defense to its obligations hereunder based upon or arising by reason of: (A) any disability or other defense of any Obligor or any other person; (B) the cessation or limitation from any cause whatsoever, other than payment in full, of any Secured Obligation; (C) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf of any Obligor which is a corporation, partnership or other type of entity, or any defect in the formation of any such Obligor; (D) the application by any Obligor of the proceeds of any Secured Obligation for purposes other than the purposes represented by any Obligor to, or intended or understood by, Mortgagee or any Third Party Mortgagor; (E) any act or omission by Mortgagee which directly or indirectly results in or aids the discharge of any Obligor or any portion of any Secured Obligation by operation of law or otherwise, or which in any way impairs or suspends any rights or remedies of Mortgagee against any Obligor; (F) any impairment of the value of any interest in any security for the Secured Obligations or any portion thereof, including without limitation, the failure to obtain or maintain perfection or recordation of any interest in any such security, the release of any such security without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such security; (G) any modification of any Secured Obligation, in any form whatsoever, including without limitation the renewal, extension, acceleration or other change in time for payment of, or other change in the terms of, any Secured Obligation or any portion thereof, including increase or decrease of the rate of interest thereon; or (H) any requirement that Mortgagee give any notice of acceptance of this Mortgage. Until all Secured Obligations shall have been paid in full, no Third Party Mortgagor shall have any right of subrogation, and each Third Party Mortgagor waives any right to enforce any remedy which Mortgagee now has or may hereafter have against any Obligor or any other person, and waives any benefit of, or any right to participate in, any security now or hereafter held by Mortgagee. Each Third Party Mortgagor further waives all rights and defenses it may have arising out of: (1) any election of remedies by Mortgagee, even though that election of remedies, such as a non-judicial foreclosure with respect to any security for any portion of the Secured Obligations, destroys such Third Party Mortgagor's rights of subrogation or such Third Party Mortgagor's rights to proceed against any Obligor for reimbursement; or (2) any loss of rights any Third Party Mortgagor may suffer by reason of any rights, powers or remedies of any Obligor in connection with any anti-deficiency laws or any other laws limiting, qualifying or discharging any Obligor's obligations.

(iii) If any of said waivers is determined to be contrary to any applicable law or public policy, such waiver shall be effective to the extent permitted by applicable law or public policy.

ARTICLE V. DEFAULT PROVISIONS

5.01 Default. The occurrence of any of the following shall constitute a "Default" under this Mortgage: (a) Mortgagor shall fail to observe or perform any obligation or agreement contained herein; (b) any representation or warranty of Mortgagor herein shall prove to be incorrect, false or misleading in any material respect when made; (c) any default in the payment or performance of any obligation, or any defined event of default, under any provisions of the Credit Agreement, the Line of Credit Note or the other Loan Documents or any other contract, instrument or document executed in connection with, or with respect to, any Secured Obligation; or (d) any default in the payment or performance of any obligation, or any defined event of default, under any provision of any other agreement, instrument or document executed by

Mortgagor in favor of or together with Mortgagee, including, but not limited to the other credit facilities which Mortgagor has extended to Mortgagee.

5.02 Rights and Remedies. Upon the occurrence of any Default, and at any time thereafter, Mortgagee shall have all the following rights and remedies:

- (a) With or without notice, to declare all Secured Obligations immediately due and payable in full.
- (b) With or without notice, without releasing Mortgagor from any Secured Obligation and without becoming a mortgagee in possession, to cure any Default of Mortgagor and, in connection therewith: (i) to enter upon the Subject Property and to do such acts and things as Mortgagee deems necessary or desirable to protect the security of this Mortgage, including without limitation, to appear in and defend any action or proceeding purporting to affect the security of this Mortgage or the rights or powers of Mortgagee hereunder; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of Mortgagee, is senior in priority to this Mortgage, the judgment of Mortgagee being conclusive as between the parties hereto; (iii) to obtain, and to pay any premiums or charges with respect to, any insurance required to be carried hereunder; and (iv) to employ counsel, accountants, contractors and other appropriate persons to assist Mortgagee.
- (c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Mortgage or to obtain specific enforcement of the covenants of Mortgagor under this Mortgage, and Mortgagor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy. For the purposes of any suit brought under this subsection, Mortgagor waives the defenses of laches and any applicable statute of limitations.
- (d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and without regard to: (i) the adequacy of the security for the repayment of the Secured Obligations; (ii) the existence of a declaration that the Secured Obligations are immediately due and payable; or (iii) the filing of a notice of default; and Mortgagor consents to such appointment.
- (e) To take and possess all documents, books, records, papers and accounts of Mortgagor or the then owner of the Subject Property; to make or modify Leases of, and other agreements with respect to, the Subject Property upon such terms and conditions as Mortgagee deems proper; and to make repairs, alterations and improvements to the Subject Property deemed necessary, in Mortgagee's judgment, to protect or enhance the security hereof.
- (f) Subject to the Idaho one-action rule, to resort to and realize upon the security hereunder and any other security now or later held by Mortgagee concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received in accordance with Section 5.03 hereof, all in such order and manner as Mortgagee shall determine in its sole discretion.
- (g) Upon sale of the Subject Property at any judicial foreclosure, Mortgagee may credit bid (as determined by Mortgagee in its sole discretion) all or any portion of the Secured Obligations. In determining such credit bid, Mortgagee may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Subject Property as such appraisals may be discounted or adjusted by Mortgagee in its sole underwriting discretion; (ii) expenses and costs incurred by Mortgagee with respect to the Subject Property prior to foreclosure; (iii) expenses and costs which Mortgagee anticipates will be incurred with respect to the Subject

Property after foreclosure, but prior to resale, including without limitation, costs of structural reports and other due diligence, costs to carry the Subject Property prior to resale, costs of resale (e.g., commissions, attorneys' fees, and taxes), Hazardous Materials clean-up and monitoring, deferred maintenance, repair, refurbishment and retrofit, and costs of defending or settling litigation affecting the Subject Property; (iv) declining trends in real property values generally and with respect to properties similar to the Subject Property; (v) anticipated discounts upon resale of the Subject Property as a distressed or foreclosed property; (vi) the existence of additional collateral, if any, for the Secured Obligations; and (vii) such other factors or matters that Mortgagee deems appropriate. Mortgagor acknowledges and agrees that: (A) Mortgagee is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (B) this Section does not impose upon Mortgagee any additional obligations that are not imposed by law at the time the credit bid is made; (C) the amount of Mortgagee's credit bid need not have any relation to any loan-to-value ratios specified in any agreement between Mortgagor and Mortgagee or previously discussed by Mortgagor and Mortgagee; and (D) Mortgagee's credit bid may be, at Mortgagee's sole discretion, higher or lower than any appraised value of the Subject Property.

5.03 Application of Foreclosure Sale Proceeds. After deducting all costs, fees and expenses of sale, including costs of evidence of title and attorneys' fees in connection with a sale, all proceeds of any foreclosure sale shall be applied first, to payment of all Secured Obligations (including without limitation, all sums expended by Mortgagee under the terms hereof and not then repaid, with accrued interest at the highest rate per annum payable under any Secured Obligation), in such order and amounts as Mortgagee in its sole discretion shall determine; and the remainder, if any, to the person or persons legally entitled thereto.

5.04 Application of Other Sums. All Rents or other sums received by Mortgagee or any agent or receiver hereunder, less all costs and expenses incurred by Mortgagee or such agent or receiver, including reasonable attorneys' fees, shall be applied to payment of the Secured Obligations in such order as Mortgagee shall determine in its sole discretion; provided, however, that Mortgagee shall have no liability for funds not actually received by Mortgagee.

5.05 No Cure or Waiver. Neither Mortgagee's or any receiver's entry upon and taking possession of the Subject Property, nor any collection of Rents, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of any other right or remedy by Mortgagee or any receiver shall impair the status of the security of this Mortgage, or cure or waive any breach, Default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale (unless all Secured Obligations and any other sums then due hereunder have been paid in full and Mortgagor has cured all other Defaults), or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option of the Subject Property or a subordination of the lien of this Mortgage.

5.06 Costs, Expenses and Attorneys' Fees. Mortgagor agrees to pay to Mortgagee immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including court costs and reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Mortgagee's in-house counsel), expended or incurred by Mortgagee pursuant to this Article V, whether incurred at the trial or appellate level, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Mortgagee or any other person) relating to Mortgagor or in any way affecting any of the Subject Property or Mortgagee's ability to exercise any of its rights or remedies with respect thereto. All of the

foregoing shall be paid by Mortgagor with interest from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation.

5.07 Power to File Notices and Cure Defaults. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns as Mortgagor's true attorney-in-fact to perform any of the following powers, which agency is coupled with an interest: (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest; and (b) upon the occurrence of any event, act or omission which with the giving of notice or the passage of time, or both, would constitute a Default, to perform any obligation of Mortgagor hereunder; provided, however, that Mortgagee, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Mortgagee, and Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to act under this Section.

5.08 Remedies Cumulative; No Waiver. All rights, powers and remedies of Mortgagee hereunder are cumulative and are in addition to all rights, powers and remedies provided by law or in any other agreements between Mortgagor and Mortgagee. No delay, failure or discontinuance of Mortgagee in exercising any right, power or remedy hereunder shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy.

ARTICLE VI. MISCELLANEOUS PROVISIONS

6.01 No Merger. No merger shall occur as a result of Mortgagee's acquiring any other estate in, or any other lien on, the Subject Property unless Mortgagee specifically consents to a merger in writing.

6.02 Execution of Documents. Mortgagor agrees, upon demand by Mortgagee, to execute any and all documents and instruments required to effectuate the provisions hereof.

6.03 Right of Inspection. Mortgagee or its agents or employees may enter onto the Subject Property at any reasonable time for the purpose of inspecting the Subject Property and ascertaining Mortgagor's compliance with the terms hereof.

6.04 Notices. All notices, requests and demands which Mortgagor or Mortgagee is required or may desire to give to the other party must be in writing, delivered to Mortgagee at the following address:

EQUITY LIVESTOCK CREDIT CORPORATION
E10890 Penny Lane
Baraboo, WI 53913

Attention: Charles Adami

and to Mortgagor at its address set forth at the signature lines below, or at such other address as either party shall designate by written notice to the other party in accordance with the provisions hereof.

6.05 Successors; Assignment. This Mortgage shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto; provided, however, that this Section does not waive the provisions of Section 4.13

hereof. Mortgagee reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, Mortgagee's rights and benefits under any and all Secured Obligations and this Mortgage. In connection therewith, Mortgagee may disclose all documents and information which Mortgagee now has or hereafter acquires relating to the Subject Property, all or any of the Secured Obligations and/or Mortgagor and, as applicable, any partners, joint venturers or members of Mortgagor, whether furnished by any Mortgagor or otherwise.

6.06 Rules of Construction (a) When appropriate based on the identity of the parties or other circumstances, the masculine gender includes the feminine or neuter or both, and the singular number includes the plural; (b) the term "Subject Property" means all and any part of or interest in the Subject Property; (c) all Section headings herein are for convenience of reference only, are not a part of this Mortgage, and shall be disregarded in the interpretation of any portion of this Mortgage; (d) if more than one person or entity has executed this Mortgage as "Mortgagor," the obligations of all such Mortgagors hereunder shall be joint and several; and (e) all terms of Exhibit A, and each other exhibit and/or rider attached hereto and recorded herewith, are hereby incorporated into this Mortgage by this reference.

6.07 Severability of Provisions. If any provision of this Mortgage shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Mortgage.

6.08 Recourse to Separate Property. Any married person who executes this Mortgage as a Mortgagor and who is obligated under any Secured Obligation agrees that any money judgment which Mortgagee obtains pursuant to the terms of this Mortgage or any other obligation of that married person secured by this Mortgage may be collected by execution upon that person's separate property, and any community property of which that person is a manager.

6.09 Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Idaho.

[The rest of this page is intentionally left blank.]

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first set forth above.

Mortgagor:

Address:

670 E 170 N
Jerome, ID 83338

By: Kristi L. Heidemann
Kristi L. Heidemann

Acknowledgement:

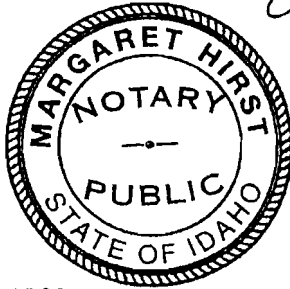
STATE OF IDAHO)
County of Jerome) ss.

On this 16 day of March, 2005, before me, a Notary Kristi L. Heidemann m.H.
personally appeared Kristi L. Heidemann known or identified to me (or proved to me on the
oath of Kristi L. Heidemann) to be the person whose name is subscribed to the within
instrument, and acknowledged to me that she executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in
this certificate first above written.

Margaret Hirst
Notary Public
Residing at Jerome, Id
Comm. Expires January 27, 2009

SEAL



3346123_1.DOC

EXHIBIT A
(Description of Property)

Exhibit A to Mortgage and Assignment of Rents and Leases executed by KRISTI L. HEIDEMANN, as Mortgagor, to EQUITY LIVESTOCK CREDIT CORPORATION, as Mortgagee, dated as of March 10, 2005.

Description of Property

PARCEL 1:

TOWNSHIP EIGHT (8) SOUTH, RANGE EIGHTEEN (18) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Seven (7): LOTS Three (3) AND (4), the East Half (E ½) of the Southwest Quarter (SW ¼) and the Southeast Quarter (SE ¼).

PARCEL 2:

TOWNSHIP EIGHT (8) SOUTH, RANGE EIGHTEEN (18) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Six (6): The Southwest Quarter (SW¼) of the Southeast Quarter (SE¼)

Section Seven (7): The East Half (E½) of the Northwest Quarter (NW¼), the West Half (W½) of the Northeast Quarter (NE¼), the Southeast Quarter (SE¼) of the Northeast Quarter NE¼, and Lots One (1) and Two (2).

PARCEL 3:

TOWNSHIP EIGHT (8) SOUTH, RANGE SEVENTEEN (17) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Twelve (12): E½

PARCEL 4:

TOWNSHIP EIGHT (8) SOUTH, RANGE SEVENTEEN (17) EAST OF THE BOISE MERIDIAN, JEROME COUNTY, IDAHO

Section Eleven (11): NE¼, EXCEPTING THEREFROM that portion of the NW¼ NE¼ conveyed to Idaho Transportation Board for the Division of Highways as set forth in Quitclaim Deed dated April 19, 1984, recorded May 17, 1984 as Instrument No. 281988, Jerome County Records and in Quitclaim Deed dated March 20, 1984, recorded May 17, 1984 as Instrument No. 281989, Jerome County Records.

Section Twelve (12): The Northwest Quarter (NW¼).

RECEIVED
FEB 28 2007
DEPT. OF WATER RESOURCES
SOUTHERN REGION

Instrument # 2033435

JEROME COUNTY, JEROME, IDAHO
2003-06-06 04 20 49 No of Pages: 4
Recorded for: KRISTI HEIDEMANN
CHERYL WATTS Fee 12.00
Ex-Officio Recorder Deputy *Bunch*

QUITCLAIM DEED

FOR VALUE RECEIVED, MARTIN FARMS CO., a/k/a Martin Farms Co., Inc., and Martin Farms, Inc., does hereby release, remise, grant, bargain, sell, convey and forever quit claim unto KRISTI HEIDEMANN, of 670 East 170 North, Jerome, Idaho 83338, as her sole and separate property, the following described premises, to-wit:

SEE EXHIBITS "A" AND "B" ATTACHED HERETO
AND BY THIS REFERENCE MADE A PART HEREOF
AS THOUGH FULLY SET FORTH HEREIN

together with their appurtenances, including, but not limited to, all water rights which are described in Exhibit "B", which is also attached and by reference made a part hereof.

DATED this 6th day of June, 2003.

MARTIN FARMS CO., a/k/a Martin Farms Co., Inc., and Martin Farms, Inc.

By: Kristi Heidemann
PRESIDENT

ATTEST:

J. R. Heidemann
SECRETARY

STATE OF IDAHO

County of Idaho

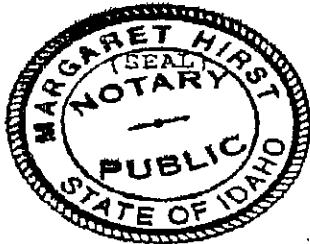
ss.

On this 6th day of June, 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared Kristi Heidemann and J. R. Heidemann known to me to be the President and Secretary respectively of Martin Farms Co., a/k/a Martin Farms Co., Inc., and Martin Farms, Inc., and the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same on behalf of Martin Farms Co., a/k/a Martin Farms Co., Inc., and Martin Farms, Inc.

QUITCLAIM DEED - 1

SCANNED
06/18/2003

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



Margaret Hirst
Notary Public for Idaho
Residing at: *Idaho*
My Commission Expires: *01.27.09*

QUITCLAIM DEED - 2

500000

11.18.08

Parcel 1:

TOWNSHIP EIGHT (8) SOUTH, RANGE EIGHTEEN (18) EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO:

Section Seven (7): Lots Three (3) and Four (4), the East Half (E^{1/2}) of the
Southwest Quarter (SW^{1/4}) and the Southeast Quarter (SE^{1/4}).

Parcel 2:

TOWNSHIP EIGHT (8) SOUTH, RANGE EIGHTEEN (18) EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO:

Section Six (6): The Southwest Quarter (SW^{1/4}) of the Southeast Quarter (SE^{1/4}).

Section Seven (7): The East Half (E^{1/2}) of the Northwest Quarter (NW^{1/4}), the
West Half (W^{1/2}) of the Northeast Quarter (NE^{1/4}), the Southeast Quarter (SE^{1/4})
of the Northeast Quarter (NE^{1/4}), and Lots One (1) and Two (2).

Parcel 3:

TOWNSHIP EIGHT (8) SOUTH, RANGE SEVENTEEN (17) EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO:

Section Twelve (12): The East Half (E^{1/2}).

Parcel 4:

TOWNSHIP EIGHT (8) SOUTH, RANGE SEVENTEEN (17) EAST OF THE
BOISE MERIDIAN, JEROME COUNTY, IDAHO:

Section Eleven (11): The Northeast Quarter (NE^{1/4}). EXCEPTING
THEREFROM that portion of the Northwest Quarter (NW^{1/4}) of the Northeast
Quarter (NE^{1/4}) conveyed to Idaho Transportation Board for the Division of
Highways as set forth in Quitclaim Deed dated April 19, 1984, recorded May 17,
1984 as Instrument Number 231983, Jerome County Records, and in Quitclaim
Deed dated March 23, 1984, recorded May 17, 1984 as Instrument Number
231989, Jerome County Records.

Section Twelve (12): The Northwest Quarter (NW^{1/4}).

EXHIBIT A

	NUMBER	DATE	USE	PERIOD	RATE	ACRES
WE	XG6-02612A	05/06/1965	Irrigation	4/1-10/31	2.74 cfs	234.0
WE	XG6-07906A	03/25/1980	Irrigation	4/1-10/31	0.35 cfs	234.0
WE	36-02386	05/14/1959	Irrigation	4/1-10/31	4.81 cfs	306.0
WE	36-02577	09/26/1963	Irrigation	4/10-11-10	5.60 cfs	302.0
WE	36-02608	02/08/1965	Irrigation	1/15-11/15	5.20 cfs	250.0
WE	36-11149	05/20/1965	Stock/Com	1/1-12/31	0.04 cfs	
WE	36-11150	12/31/1950	Domestic	1/1-12/31	0.04 cfs	
WE	XG6-02612B	5/6/1965	Stock/Com	1/1-12/31	0.90 cfs	
WE	XG6-07906B	3/26/1980	Stock/Com	1/1-12/31	0.11 cfs	

EXHIBIT 2