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LINDA B. JONES
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January 26, 2007

Via Hand Delivery

Mr. Jeff Peppersack
Idaho Department of Water Resources
The Idaho Water Center
322 East Front Street
Boise, Idaho 83720-0098

RECEIVED

JAN 26 2007

DEPARTMENT OF
WATER RESOURCES

Re: Notice of Ownership of
Water Rights 14988 and 36-07460AG

Dear Mr. Peppersack:

36-

This letter supplements our letter dated January 24, concerning ownership of the above referenced water rights, and follows up our telephone conversation. You asked for a chronology of the foreclosure action.

Jeanne Serviss and Dean Bezek, individually and as partners of Riverview Dairy, and Riverview Dairy (collectively, the "Debtors") executed and recorded a deed of trust in favor of Equity Livestock Credit Corporation ("ELCC") in August 2000 (Inst. No. 2003529, Jerome County, Idaho) encumbering the dairy property (including all appurtenances). The above water rights are appurtenant to the land subject to the deed of trust, are used in the dairy operations, and were encumbered by the deed of trust. ELCC provided financing to the Debtors for their dairy operations. The Debtors also executed in favor of ELCC and encumbering the same property and appurtenant water rights, a mortgage in September 2000 (Inst. No. 2004286), a second deed of trust in December 2000 (Inst. No. 2005334), a third deed of trust in October 2001 (Inst. No. 2014994), and a second mortgage in May 2003 (Inst. No. 2033204). Said deeds of trust and mortgages (collectively, the "Liens") were all modified on February 28, 2005 (Inst. No. 2051058).

On March 30, 2006, ELCC filed against the Debtors a Complaint for Mortgage Foreclosure of the Liens with the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Jerome (the "Complaint"), and on March 31, 2006 recorded a Lis Pendens (Instrument No. 2061780, Jerome County, Idaho) (the "Lis Pendens"). Copies of the Complaint and Lis Pendens are enclosed. As described in the Complaint, Riverview Dairy had filed a Chapter 11 bankruptcy case in 2005, which

SUPPORT DATA

IN FILE # 36-07460AG

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The Idaho Water Center - Boise
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resulted in a Chapter 11 Plan confirmed by the Bankruptcy Court on January 12, 2005. The Plan confirmed the obligations owed to ELCC and required Riverview Dairy to execute a promissory note in favor of ELCC. In February 2005, the above mortgages and deeds of trust were modified (by the modification recorded as Instrument No. 2051058, referred to above) to include the note as part of the secured obligations.

In about December 2005, Serviss and Bezek had each filed a Chapter 7 bankruptcy case, each administered on a "no assets" basis. ELCC sought, and on March 7, 2006 the court entered, orders in the bankruptcy cases in favor of ELCC removing the stays and authorizing ELCC to foreclose its mortgage and deed of trust liens. ELCC filed the Complaint shortly thereafter.

The Option Agreement for Purchase and Sale (the "Option Agreement") of the water rights between Serviss and Idaho Water Co. that was filed with the Department in support of a notice of ownership change was dated January 7, 2006, and signed (by the date on the acknowledgement) on February 16, 2006. At that time, Serviss and Bezek were in bankruptcy, the property and water rights were encumbered by the Liens, and ELCC was seeking a relief from stay in order to commence a foreclosure action.

The terms of the Option Agreement acknowledge that the water rights are appurtenant to Serviss' property and provide that any sale is contingent upon approval by the Department of a transfer of the water rights from the Seller's property (the property subject to the Liens). It provides that if the water rights cannot be transferred, the Agreement to sell the water rights is void. We are informed that an application to transfer the water rights was filed with the Department, with the section asking about existing liens on the property left blank. In fact, at all relevant times the property and appurtenant water rights were subject to ELCC's Liens.

The foreclosure proceeding moved forward during 2006, and on September 8, 2006, a Stipulation for Judgment was filed with the Court. The Stipulation was signed by the Debtors' attorney on August 31, 2006. A copy is enclosed. The Stipulation acknowledged the debt owed to ELCC and agreed that the court could enter judgment against the Debtors and all persons claiming under them as encumbrancers, purchasers, and otherwise, and that the real property and "all rights and appurtenants [sic] thereto" would be foreclosed and said persons would be forever barred and foreclosed of and from all right, title claim, interest and equity of redemption that they may have in the mortgaged property or any part thereof.

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On August 14, 2006, just prior to the execution of the Stipulation by Serviss' counsel, it appears that Serviss executed and faxed to the Department a Quit Claim Deed purporting to transfer the water rights to Del Kohtz, as owner of Idaho Water Co. The Quit Claim Deed was not recorded (per our inquiry with First American Title). At the time the Quit Claim Deed was executed by Serviss, the foreclosure proceeding was pending and the Debtors' counsel was preparing the Stipulation for Judgment in the foreclosure proceeding.

Under the Stipulation, the Debtors agreed that the mortgaged property would be sold and that the purchaser would be let into possession of the property, and that any of the Debtors or any person who had come into possession of the mortgaged property or any part thereof under them would deliver possession to the foreclosure purchaser.

The foreclosure sale took place on November 29, 2006, and the Sheriff's Certificate of Sale and Sheriff's Deed were recorded on January 17, 2007. We have previously provided you with copies of said documents. In January 2007, it came to the attention of ELCC that Serviss had attempted to sell and transfer the water rights. No notice of such actions was given to ELCC by any of the Debtors or their counsel, or the purported buyer, even though the property and water rights were encumbered by the Liens, there was a foreclosure action pending, and any transfer would have required ELCC's consent.

Based on the foregoing, the water rights cannot be transferred. And, any purported sale or quitclaim of the water rights are null and void. Title has been foreclosed in favor of ELCC and, by the Sheriff's Deed, ELCC is the current owner of the land and the water rights.

If you want to discuss the foregoing, please contact me.

Sincerely,

HOLLAND & HART^{LLP}



Linda B. Jones

LBJ:lka

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Department of Water Resources
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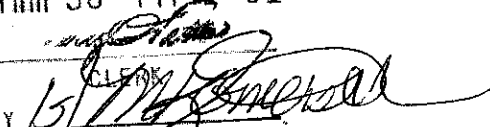
Enclosures

cc: Robin MacLeish (Equity Livestock Credit Corporation/without enc. by email)
Jeanne Robertson (DWR, Twin Falls Office/without enc., by fax)
Brent T. Robinson (Ling Robinson & Walker/without enc., by mail)
Del Kohtz (Idaho Water Co./without enc., by mail)

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DISTRICT COURT
FIFTH JUDICIAL DIST
JEROME COUNTY, IDAHO

2006 MAR 30 PM 1 31

BY 
DEPUTY CLERK

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Attorneys For Plaintiff Equity Livestock Credit Corporation

**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF JEROME**

EQUITY LIVESTOCK CREDIT
CORPORATION,

Plaintiff,

vs.

JEANNE L. SERVISS; RIVERVIEW
DAIRY, an Idaho General Partnership;
DEAN BEZEK; J & E FARMS, an Idaho
limited liability company; THE GLASS
MAN, INC., an Idaho corporation; BURKS
TRACTOR COMPANY, INC., an Idaho
corporation; SCHUTTE, INC., an Idaho
corporation; MAGIC VALLEY PIPE, INC.,
an Idaho corporation; ELECTRIC EXPRESS,
INC., an Idaho corporation; SCHAEFFER
FARMS, INC., an Idaho corporation;
INTERMOUNTAIN COMMODITIES CO.,
L.L.C., an Idaho limited liability company;
FARRELL ATKINSON; JARED
NICOLSON; MIKE TELFORD; SHANNON
TELFORD; THE STATE OF IDAHO,
DEPARTMENT OF COMMERCE &
LABOR,

Defendants.

Case No. *CV 2006-360*

Category of Action: Complaint

Filing Fee Category: A

Filing Fee: \$77.00

**COMPLAINT FOR MORTGAGE
FORECLOSURE**

Plaintiff Equity Livestock Credit Corporation ("Equity Livestock") states and alleges a claim for relief against the above-named Defendants as follows:

PARTIES AND VENUE

- A 1. Equity Livestock is a Wisconsin corporation.
- D 2. Jeanne Serviss ("Serviss") is a resident of Jerome County, Idaho.
- A 3. Riverview Dairy, LLC ("Riverview Dairy") is an Idaho partnership that conducted business in Jerome County, Idaho.
- A 4. Dean Bezek ("Bezek") is a resident of Jerome County, Idaho.
- RE/NA 5. J & E Farms, LLC ("J & E Farms") is an Idaho limited liability company.
- ↓ 6. The Glass Man, Inc. ("Glass Man") is, on information and belief, an Idaho corporation.
7. Burks Tractor Company, Inc. ("Burks Tractor") is, on information and belief, an Idaho corporation.
8. Schutte, Inc. ("Schutte") is, on information and belief, an Idaho corporation.
9. Magic Valley Pipe, Inc. ("Magic Valley Pipe") is an Idaho corporation.
10. Electric Express, Inc. ("Electric Express") is an Idaho corporation.
11. Schaeffer Farms, Inc. ("Schaeffer Farms") is an Idaho corporation.
12. Intermountain Commodities Co., L.L.C. ("Intermountain Commodities") is an Idaho limited liability company.
- 2/4 13. Farrell Atkinson and Jared Nicolson ("Atkinson and Nicolson") are individuals, the residencies of which are unknown to Equity Livestock.

14. Mike Telford and Shannon Telford ("Telford") are husband and wife, and individuals the residency of which is unknown to Equity Livestock.

15. The State of Idaho, Department of Commerce & Labor ("Department of Labor"), is a state of the United States of America and the Department of Commerce & Labor is an agency thereof.

4 16. The Defendants are subject to the jurisdiction of Idaho state courts under Idaho Code § 5-514, this Court has original jurisdiction over this matter under Idaho Code § 1-705, and venue is appropriate within this county under Idaho Code § 5-401 because the property at issue is located in Jerome County.

4 17. This action is brought to collect the amounts due on a promissory note and to obtain an order directing the foreclosure and sale of real property secured by mortgages and deeds of trust granted by Serviss, Riverview Dairy, and Bezek to Equity Livestock.

CLAIM FOR FORECLOSURE OF MORTGAGE

4 18. Serviss holds fee simple title to the following property, together with all rights appurtenant thereto, (the "Mortgaged Real Property"):

PARCEL 1:

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

SECTION 26: SE¼SE¼, EXCEPTING THEREFROM THE FOLLOWING
DESCRIBED PARCEL OF LAND:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SE¼SE¼
WHICH POINT SHALL BE KNOWN AS THE TRUE POINT OF
BEGINNING;

THENCE NORTH ALONG THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO A POINT ON THE SOUTH BOUNDARY OF
SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE WEST ALONG THE SOUTH BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PART OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET TO THE TRUE POINT OF BEGINNING; THENCE
NORTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO A POINT ON THE SOUTH BOUNDARY OF
THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE WEST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
186.70 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PART OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
420.05 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING EAST ALONG THE SOUTH BOUNDARY OF
SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 FEET;
THENCE NORTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 FEET, MORE OR LESS, TO THE CENTERLINE OF
AN IRRIGATION CANAL;
THENCE WESTERLY ALONG THE CENTERLINE OF SAID CANAL
TO THE WEST BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;

THENCE SOUTH ALONG THE WEST BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
225.00 FEET, MORE OR LESS, TO A POINT THAT LIES NORTH
233.35 FEET FROM SOUTHWEST CORNER OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF THE
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 FEET;

THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

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

SECTION 26: A PARCEL OF LAND LOCATED IN THE NE $\frac{1}{4}$ SE $\frac{1}{4}$,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 26, FROM WHICH THE EAST ONE QUARTER CORNER OF SAID SECTION 26 BEARS NORTH 00°04'59" EAST, 2639.17 FEET;
THENCE NORTH 00°04'39" EAST ALONG THE EAST BOUNDARY OF THE SE $\frac{1}{4}$ OF SECTION 26 FOR A DISTANCE OF 1319.59 FEET TO THE SOUTHEAST CORNER OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 26 AND BEING THE TRUE POINT OF BEGINNING;
THENCE NORTH 89°40'49" WEST ALONG THE SOUTH BOUNDARY OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 26 FOR A DISTANCE OF 906.00 FEET;
THENCE NORTH 72°34'12" EAST FOR A DISTANCE OF 477.41 FEET;
THENCE NORTH 43°21'23" EAST FOR A DISTANCE OF 621.04 FEET;
THENCE SOUTH 89°55'01" EAST FOR A DISTANCE OF 25.0 FEET TO A POINT ON THE EAST BOUNDARY OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 26;
THENCE SOUTH 00°04'59" WEST ALONG THE EAST BOUNDARY OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 26 FOR A DISTANCE OF 599.59 FEET TO THE TRUE POINT OF BEGINNING.

SUBJECT TO A 25.0 FEET WIDE COUNTY ROAD EASEMENT
ALONG THE EAST BOUNDARY OF THE BEFORE DESCRIBED
PARCEL.

*Not
Accepted
to*

19. On or about August 2, 2000, Serviss and Bezek, individually and as partners in Riverview Dairy, and Riverview Dairy executed a deed of trust granting Equity Livestock a lien on the Mortgaged Real Property (the "First Deed of Trust"). The First Deed of Trust was recorded as Instrument No. 2003529 on August 9, 2000,

with the Jerome County, Idaho Recorder's Office. A true and correct copy of the First Deed of Trust is attached hereto as **Exhibit A**.

20. On or about July 20, 2000, Serviss and Bezek, individually and as partners in Riverview Dairy, and Riverview Dairy executed a mortgage granting Equity Livestock a lien on the Mortgaged Real Property (the "First Mortgage"). The First Mortgage was recorded as Instrument No. 2004286 on September 25, 2000, with the Jerome County, Idaho Recorder's Office. A true and correct copy of the First Mortgage is attached hereto as **Exhibit B**.

21. On or about November 20, 2000, Serviss and Bezek, individually and as partners in Riverview Dairy, and Riverview Dairy executed a deed of trust granting Equity Livestock a lien on the Mortgaged Real Property (the "Second Deed of Trust"). The Second Deed of Trust was recorded as Instrument No. 2005334 on December 5, 2000, with the Jerome County, Idaho Recorder's Office. A true and correct copy of the Second Deed of Trust is attached hereto as **Exhibit C**.

22. On or about September 10, 2001, Serviss and Bezek, individually and as partners in Riverview Dairy, and Riverview Dairy executed a deed of trust granting Equity Livestock a lien on the Mortgaged Real Property (the "Third Deed of Trust"). The Third Deed of Trust was recorded as Instrument No. 2014994 on October 29, 2001, with the Jerome County, Idaho Recorder's Office. A true and correct copy of the Third Deed of Trust is attached hereto as **Exhibit D**.

23. On or about May 15, 2003, Serviss and Bezek, individually and as partners in Riverview Dairy, and Riverview Dairy executed a mortgage granting Equity Livestock a lien on the Mortgaged Real Property (the "Second Mortgage"). The Second

Mortgage was recorded as Instrument No. 2033204 on May 28, 2003, with the Jerome County, Idaho Recorder's Office. A true and correct copy of the Second Mortgage is attached hereto as **Exhibit E**.

A 24. Riverview Dairy filed a Title 11 U.S.C. bankruptcy case in the United States Bankruptcy Court for the District of Idaho, Case No. 04-40370 (the "Riverview Dairy Bankruptcy Case"). Riverview Dairy filed a Chapter 11 plan in the Riverview Dairy Bankruptcy Case (the "Plan") and the Plan provided, among things, that Equity Livestock had an allowed secured claim in the amount of \$3,500,000. The Plan was confirmed by the Bankruptcy Court on January 12, 2005 and the Order Confirming the Plan was entered in the Riverview Dairy Bankruptcy Case on February 2, 2005 as docket no. 120. The Riverview Dairy Bankruptcy Case was closed on November 25, 2005 by the entry of a Final Decree (docket no. 145).

A 25. As provided in the Plan, in order to further evidence the amounts due and payable to Equity Livestock, Riverview Dairy executed a promissory note dated as of February 3, 2005 in the principal amount of \$3,500,000 (the "Note"). A copy of the Note is attached hereto as **Exhibit F**.

A 26. Pursuant to the Plan, Serviss and Bezek, individually and as partners in Riverview Dairy, and Riverview Dairy executed a modification of deeds of trust and mortgages dated as of February 3, 2005 (the "Modification"). The Modification was recorded as Instrument No. 2051058 on February 28, 2005, with the Jerome County, Idaho Recorder's Office. A true and copy of the Modification is attached hereto as **Exhibit G**.

27. The Modification, by its express terms, provides, among other things, that the obligations secured by the First Deed of Trust, the First Mortgage, the Second Deed of Trust, the Third Deed of Trust, and the Second Mortgage shall include the payment to Equity Livestock of all indebtedness and the performance of all obligations evidenced by or arising under the Note. The First Deed of Trust, the First Mortgage, the Second Deed of Trust, the Third Deed of Trust, and the Second Mortgage, as modified by the Modification, shall be collectively referred to herein as the "Mortgage."

28. Serviss is the record owner of the Mortgaged Real Property and is a general partner in Riverview Dairy. Serviss executed the Mortgage and granted Equity Livestock a mortgage lien on the Mortgaged Real Property in order to secure the repayment of the indebtedness due Equity Livestock from Riverview Dairy and the amounts due Equity Livestock from Serviss and Bezek individually.

29. Serviss filed a Chapter 7 Title 11 U.S.C. bankruptcy case in the United States Bankruptcy Court for the District of Idaho, Case No. 05-43467 (the "Serviss Bankruptcy Case"). The Serviss Bankruptcy Case is being administered as a no-asset case and an order discharging Serviss was entered on January 18, 2006 (docket no. 16). On March 7, 2006, the court entered an order in the Serviss Bankruptcy Case in favor of Equity Livestock removing the stay and authorizing Equity Livestock to foreclose its liens on the Mortgaged Real Property (docket no. 20).

30. Bezek filed a Chapter 7 Title 11 U.S.C. bankruptcy case in the United States Bankruptcy Court for the District of Idaho, Case No. 05-43479 (the "Bezek Bankruptcy Case"). The Bezek Bankruptcy Case is being administered as a no-asset

case and an order discharging Bezek was entered on January 18, 2006 (docket no. 18). On March 7, 2006, the court entered an order in the Bezek Bankruptcy Case in favor of Equity Livestock removing the stay and authorizing Equity Livestock to foreclose its liens on the Mortgaged Real Property (docket no. 22).

31. Pursuant to the Note and Mortgage, Equity Livestock is entitled to recover its attorneys' fees and costs incurred by it in any action on the Mortgage, and the payment of such fees and costs are secured by the Mortgaged Real Property.

32. As of March 24, 2006, there was due from Riverview Dairy to Equity Livestock on the Note the following amounts:

- a. The principal sum of \$2,964,905.27; plus
- b. Accrued and unpaid interest as of March 24, 2006 in the amount of \$34,927.99; and
- c. Interest on the unpaid principal balance from March 24, 2006 at the current per diem rate of \$771.69, said amount being subject to adjustment as provided in the Note. The total amount due and payable on the Note was, as of March 24, 2006, \$2,999,833.26.

Because Riverview Dairy has not met its payment obligations under the Note, it is in default thereunder and the entire unpaid principal balance of and all accrued and unpaid interest on the Note is presently due and payable.

33. On information and belief: (a) Melvin Eggink and Bernice B. Eggink, husband and wife, executed a real estate mortgage in favor of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, in order to secure an indebtedness of \$200,000 and other amounts and/or

obligations secured thereby. This mortgage was recorded in the real property records of Jerome County, Idaho on May 7, 1981 as Instrument No. 257583 (the "First FHA Mortgage"); and (b) Serviss executed an additional real estate mortgage in favor of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, in order to secure an original indebtedness of \$291,769.01 and any other amounts and/or obligations secured thereby. This mortgage was recorded in the real property records of Jerome County, Idaho on April 4, 2000, as Instrument No. 2001613 (the "Second FHA Mortgage"). The First FHA Mortgage and the Second FHA Mortgage shall be collectively referred to herein as the "FHA Mortgage." Equity Livestock is not by this complaint challenging the priority of the FHA Mortgage and the foreclosure of the Mortgage and any sale pursuant thereto shall be subject to the FHA Mortgage.

34. On information and belief, The North Side Pumping Company and The North Side Canal Company may claim a lien on the Mortgaged Real Property by virtue of claims of lien recorded by them (collective "The North Side Liens"). Equity Livestock is not challenging the priority of The North Side Liens to the extent they remain valid and have not lapsed.

35. On information and belief, the following defendants may claim a lien or other interest in the Mortgaged Real Property by virtue of, among other things, the following:

a. J & E Farms filed a Default Judgment with the Jerome County Recorder's Office on March 21, 2001 as Instrument No. 2011314 against the Mortgaged Real Property in the amount of \$24,748.00, plus interest;

b. The Glass Man filed with the Jerome County Recorder's Office and against the Mortgaged Real Property:

(i) a Mechanic's and Materialmen's Claim of Lien on April 10, 2001, as Instrument No. 2011620; and

(ii) a Judgment of Foreclosure of Mechanic's Lien and Order of Sale on August 30, 2001, as Instrument No. 2013997 in the amount of \$2,738.70, plus interest.

c. Burks Tractor filed a Default Judgment with the Jerome County Recorder's Office on May 17, 2001, as Instrument No. 2012215 against the Mortgaged Real Property in the amount of \$842.10.

d. Schutte filed with the Jerome County Recorder's Office and against the Mortgaged Real Property:

(i) a Notice of Claim of Lien on August 2, 2001, as Instrument No. 2013569;

(ii) a Lis Pendens on September 5, 2001, as Instrument No. 2014122; and

(iii) a Judgment on September 28, 2001, as Instrument No. 2014488 in the amount of \$27,000.

e. Magic Valley Pipe filed a Default Judgment with the Jerome County Recorder's Office on October 15, 2001, as Instrument No. 2014744 against the Mortgaged Real Property in the amount of \$47,053.90, plus interest.

f. Electric Express filed a Default Judgment with the Jerome County Recorder's Office on November 8, 2001, as Instrument No. 2015217 against the

Mortgaged Real Property in the amount of \$42,952, plus interest, and on November 8, 2001, Electric Express filed a Partial Satisfaction of Judgment with the Jerome County Recorder's Office as Instrument No. 2015218 against the Mortgaged Real Property acknowledging that the Default Judgment had been partially satisfied, leaving a balance of \$13,118.71.

g. Schaeffer Farms filed a Judgment with the Jerome County Recorder's Office on July 17, 2002, as Instrument No. 2023740 against the Mortgaged Real Property in the amount of \$34,697.15, plus interest.

h. Intermountain Commodities filed a Stipulated Judgment with the Jerome County Recorder's Office on June 3, 2003, as Instrument No. 2033327 against the Mortgaged Real Property in the amount of \$23,663.29.

i. Atkinson and Nicolson filed a Judgment with the Jerome County Recorder's Office on November 13, 2003, as Instrument No. 2037221 against the Mortgaged Real Property in the amount of \$12,747.48, plus interest.

j. Telford filed a Judgment with the Jerome County Recorder's Office on February 26, 2004, as Instrument No. 2041046 against the Mortgaged Real Property in the amount of \$33,752.27.

k. The Department of Labor filed multiple Notices of Lien with the Jerome County Recorder's Office against the Mortgaged Real Property, including the following:

- (i) Lien No. T 152241 filed on July 18, 2002;
- (ii) Lien No. T 152242 filed on July 18, 2002;
- (iii) Lien No. T 152243 filed on July 18, 2002;

- (iv) Lien No. T 152298 filed on July 19, 2002;
- (v) Lien No. T 152299 filed on July 19, 2002;
- (vi) Lien No. T 152300 filed on July 19, 2002;
- (vii) Lien No. T 167915 filed on January 27, 2003;
- (viii) Lien No. T 167916 filed on January 27, 2003;
- (ix) Lien No. T 167917 filed on January 27, 2003;
- (x) Lien No. T 179552 filed on May 23, 2003;
- (xi) Lien No. T 179553 filed on May 23, 2003;
- (xii) Lien No. T 179554 filed on May 23, 2003;
- (xiii) Lien No. T 197978 filed on December 23, 2003;
- (xiv) Lien No. T 197979 filed on December 23, 2003;
- (xv) Lien No. T 197980 filed on December 23, 2003;
- (xvi) Lien No. T 260131 filed on September 8, 2005;
- (xvii) Lien No. T 260132 filed on September 8, 2005;
- (xviii) Lien No. T 260133 filed on September 8, 2005;
- (xix) Lien No. T 274616 filed on January 19, 2006;
- (xx) Lien No. T274617 filed on January 19, 2006; and
- (xxi) Lien No. T 274618 filed on January 19, 2006.

36. Equity Livestock has been required to retain the law firm of Holland & Hart LLP to aid it in the enforcement of the Mortgage and the foreclosure of the same.

FORECLOSURE ON MORTGAGED REAL PROPERTY

37. Equity Livestock hereby realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 36 above as fully as if set out in their entirety.

38. The liens in favor of Equity Livestock granted in the Mortgage on the Mortgaged Real Property secure the obligations due Equity Livestock which are evidenced by the Note. The Mortgage provides, among other things, that in the event of a foreclosure of the Mortgage, the expenses incurred by Equity Livestock in foreclosing the same will be paid and is secured by the Mortgaged Real Property. Equity Livestock has been compelled to have the title searched in order to complete the foreclosure of its interest in the Mortgage, has obtained a Litigation Guaranty at a cost of \$2,555.00, and is entitled to the payment of all its title costs and expenses incurred in the foreclosure of the Mortgage.

39. Equity Livestock further alleges that the Note and the Mortgage provide for the payment of reasonable attorneys' fees in the event the Note is collected by an attorney or the Mortgage is foreclosed. Equity Livestock has retained the law firm of Holland & Hart LLP to represent it in collecting the Note and foreclosing the Mortgage. Equity Livestock has agreed to pay Holland & Hart LLP a reasonable attorneys' fee for the foreclosure of the Mortgage. The sum of \$20,000 is a reasonable attorneys' fee for the collection of the Note and the foreclosure of the Mortgage in the event judgment is entered by default, and such additional sums as the court deems reasonable if judgment is entered other than by default.

40. To the extent any of the above-named defendants in this action claim any interest in the Mortgaged Real Property and rights covered by the Mortgage, that the right, title and interest or claim of any said defendants in the Mortgaged Real Property is subordinate in time and inferior in right to the rights, powers, and privileges of Equity Livestock therein, and Equity Livestock's interest in the Mortgaged Real Property pursuant to the Mortgage is superior in time and in right to any and all right, title, and interest held or claimed by any of the defendants. Equity Livestock is currently foreclosing its Article 9 UCC security interests in Riverview Dairy's personal property through self-help proceedings. Equity Livestock reserves the right to amend this complaint to, if necessary, add a claim and delivery claim.

ATTORNEY FEES

41. Equity Livestock hereby realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 40 above as if set out in their entirety.

42. Equity Livestock has been required to retain the law firm of Holland & Hart LLP to pursue this action. Equity Livestock is entitled to an award of costs, expenses, and reasonable attorneys' fees under the Note, the Mortgage and under Idaho law, including, but not limited to, Idaho Code §§ 12-120 and 12-121. The sum of \$20,000 is reasonable attorneys' fees for the collection of the Note and the foreclosure of the Mortgage in the event judgment is entered by default, and such additional sums as the Court deems reasonable if judgment is entered other than by default.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Equity Livestock prays for judgment against the above-named defendants as follows:

1. That the rights of Equity Livestock in the Mortgaged Real Property be adjudged to be superior in right and in time to all claims or interests of the defendants, and each of them, in and to the Mortgaged Real Property and all rights appurtenant thereto;

2. That Equity Livestock recover judgment against Riverview Dairy on the Note in the following amounts: (a) the principal sum of \$2,964,905.27; plus (b) accrued and unpaid interest as of March 24, 2006 in the amount of \$34,927.99; and (c) interest on the unpaid principal balance from March 24, 2006 at the current per diem rate of \$771.69, said amount being subject to adjustment as provided in the Note. The total amount due and payable on the Note was, as of March 24, 2006, \$2,999,833.26. Equity Livestock is not seeking a monetary judgment against either Serviss or Bezek.

3. That Equity Livestock recover judgment against Riverview Dairy for: (a) all reasonable expenses incurred by Equity Livestock for title search, title insurance, maintenance, insurance or other costs of identification and preservation of the real property including, without limitation, the \$2,555.00 paid to obtain the Litigation Guaranty, and (b) attorneys' fees in the sum of \$20,000 in the event judgment is entered by default and for such other additional sums as the Court deems reasonable if judgment is entered by other than default.

4. That the aggregate sums described in subparagraphs 2 and 3 above be adjudged to be a lien on the Mortgaged Real Property with a priority in time and in

right prior and superior to the claims and interests of the defendants, and each of them, in the Mortgaged Real Property.

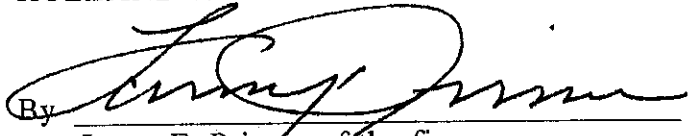
5. That the Mortgaged Real Property be sold at a foreclosure sale and the proceeds of the sale under foreclosure be applied first in payment of the costs of the foreclosure sale and then in payment of the amounts due Equity Livestock described in subparagraphs 2 and 3 above, and that the defendants, and each of them, and all persons claiming under them, either as encumbrancers, purchasers or otherwise, be forever barred and foreclosed of all right, title, and interest in and to the Mortgaged Real Property and of all right, claim or equity of redemption in and to said Mortgaged Real Property, or any part thereof, and that any proceeds of the sale under foreclosure in excess of the amounts described in subparagraphs 2 and 3 above, if any, be deposited with this Court and thereafter paid in accordance with Idaho Code § 6-102;

6. That Equity Livestock or any party to the suit may become a purchaser at the sale and the Sheriff of Jerome County, Idaho be directed to execute a certificate of sale and, subsequently, a deed to the purchaser of the real estate, the purchaser to be let into possession of said premises on production of such deed; and

7. That Equity Livestock has such other and further relief as the Court may deem just and equitable under the circumstances.

DATED this 27th day of March 2006.

HOLLAND & HART LLP

By 
Larry E. Prince, of the firm
Attorneys for Plaintiff Equity Livestock
Credit Corporation

3510142_1.DOC

When Recorded Return to: Equity Livestock Credit Corporation
E10890 Penny Lane
Baraboo, WI 53913

Attn.: Ellen Oehlhof
Order No.:
Loan Number: #11248 / L-0115

Instrument # 2003529

JEROME COUNTY JEROME, IDAHO
2000-08-09 12:31:10 No. of Pages: 11
Recorded for: EQUITY LIVESTOCK CREDIT C
CHERYL WATTS Fee: 33.00
Ex-Officio Recorder Deputy *Bench*

[Space Above This Line For Recording Data]

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on August 2, 2000. The grantor is Riverview Dairy (Joanne Carvies & Dean Dasek) as individuals and as partners ("Borrower"). The trustee is _____, as ("Trustee"). The beneficiary is Corporation which is organized and existing under the laws of the State of WISC, and whose address is E10890 Penny Lane, Baraboo, WI 53913 ("Lender"). Borrower owes Lender the principal sum of Six-hundred, seventy five thousand

----- Dollars (U.S. \$675,000).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on 8-1-2004. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Jerome County, IDAHO:

SEE EXHIBIT "A" & EXHIBIT "A" continued

Property Tax ID Number: RP 08S17E362402 A / RP 00S17E350001 A
which are the sources of Jerome Idaho
(City), (Zip Code) ("Property Address");

83388

[Phone]

IDAHO Single Family FTA/AL/ELAC UNIFORM INSTRUMENT

Page 1 of 8

Form 2001 9/99
Amended 1/97

Initials: *[Signature]*

Idctd

EXHIBIT

A

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to

amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the

Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect; or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest In Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period,

Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument, or (b) entry of a judgment enforcing this Security Instrument. Three conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law.

Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under applicable law.

23. **Substitute Trustee.** Lender may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Area and Location of Property.** Either the Property is not more than forty acres in area or the Property is located within an incorporated city or village.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

[Check applicable box(es)]

☐ Adjustable Rate Rider

☐ Condominium Rider

☐ 1-4 Family Rider

☐ Graduated Payment Rider

☐ Planned Unit Development Rider

☐ Biweekly Payment Rider

☐ Balloon Rider

☐ Rate Improvement Rider

☐ Second Home Rider

☐ VA Rider

☐ Other(s) [specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

Arthur Roy Brown [Signature] (Seal)
-Borrower

Arthur Roy Brown [Signature] (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

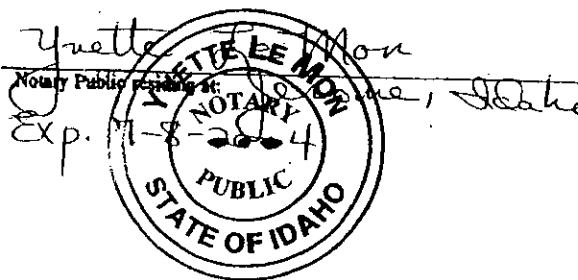
STATE OF IDAHO,

County ss:

On this 3rd day of August, 2000, before me,
Yvette Le Mon, a Notary Public in and for said county and state, personally appeared

known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that 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.



PARCEL 1:

EXHIBIT "A"

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

Section 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcel of land:

Beginning at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ which point shall be known as the TRUE POINT OF BEGINNING;

Thence North along the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;

Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;

Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a point on the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence West along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to THE TRUE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as follows:

Commencing at the Southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the TRUE POINT OF BEGINNING;

Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;

Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet;

Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a point on the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence West along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as follows:

Commencing at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet to the TRUE POINT OF BEGINNING;

Thence continuing East along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 feet;

Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 feet, more or less, to the centerline of an irrigation canal;

Thence Westerly along the centerline of said canal to the West boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence South along the West boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 225.00 feet, more or less, to a point that lies North 233.35 feet from Southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence East parallel to the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet;

Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the TRUE POINT OF BEGINNING.

Page (1) of (2) Continued-

RIVERVIEW DAIRY

Jeanne Serviss

Dean Bezek

PARCEL 11:

TOWNSHIP 3 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,
JEROME COUNTY, IDAHO

Section 26: A parcel of land located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, more particularly described as follows:

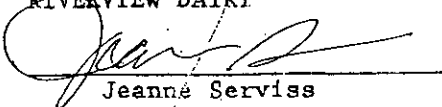
Commencing at the Southeast corner of said Section 26, from which the East One Quarter corner of said Section 26 bears North 00°04'59" East, 2639.17 feet;
Thence North 00°04'39" East along the East boundary of the SE $\frac{1}{4}$ of Section 26 for a distance of 1319.59 feet to the Southeast corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 and being THE TRUE POINT OF BEGINNING;
Thence North 89°40'49" West along the South boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 906.00 feet;
Thence North 72°34'12" East for a distance of 477.41 feet;
Thence North 43°21'23" East for a distance of 621.04 feet;
Thence South 89°55'01" East for a distance of 25.0 feet to a point on the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26;
Thence South 00°04'59" West along the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 599.59 feet to THE TRUE POINT OF BEGINNING.

SUBJECT TO a 25.0 foot wide county road easement along the East boundary of the before described parcel.

PAGE 2 of 2

END OF EXHIBIT "A"

RIVERVIEW DAIRY


Jeanné Serviss


Dean Bezek

(To be used for: loans over \$25,000; loans \$25,000 or less and first lien; or other non-consumer act transactions)

DOCUMENT NO.

Riverview Dairy, a Idaho partnership
Jeanne Serviss and Dean Bezek
a single person/a single person "Mortgagor," whether one or more
mortgages to Equity Livestock Credit Corporation

("Mortgagee," whether one or more)

to secure payment of \$35,000.00
Thirty-five thousand Dollars (\$ 35,000.00)

evidenced by a note or notes bearing an even date executed by
RIVERVIEW DAIRY (JEANNE SERVISS and DEAN BEZEK) to
Mortgagee, and any extensions, and renewals and modifications of the note(s) and
refinancings of any such indebtedness on any terms whatsoever (including increases in
interest) and the payment of all other sums, with interest, advanced to protect the security of
this Mortgage, the following property, together with the rents, profits, fixtures and other
appurtenant interests (all called "Property"), in JEROME
County, State of ~~XXXXXX~~ IDAHO:

see attached Exhibit "A" page 1 and 2

THIS SPACE RESERVED FOR RECORDING DATA

NAME AND RETURN ADDRESS

Equity Livestock Credit Corporatio
E10890 Penny Lane
Baraboo, WI 53913

PARCEL IDENTIFICATION NUMBER

Instrument # 2004286

JEROME COUNTY JEROME, IDAHO
2008-09-25 11:35:02 No. of Pages: 4
Recorded for: EQUITY LIVESTOCK CREDIT
CHERYL WATTS Fee: 12.00
Ex-Officio Recorder Deputy *CBench*

1. This _____ homestead property.
(is) (is not)
2. This _____ is not _____ a purchase money mortgage.
(is) (is not)

3. MORTGAGOR'S COVENANTS

(a) COVENANT OF TITLE. Mortgagor warrants title to the Property, except restrictions and easements of record, if any, and except

(b) TAXES. Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagor's interest in it and to deliver to Mortgagee on demand receipts showing such payment.

(c) INSURANCE. Mortgagor shall keep the improvements on the Property insured against any loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, through insurers approved by Mortgagee in such amounts as Mortgagee shall require, but Mortgagee shall not require coverage in an amount more than the balance of the debt without co-insurance, and Mortgagor shall pay the premiums when due. The policies shall contain the standard mortgage clause in favor of the Mortgagee and, unless Mortgagee otherwise agrees in writing, the original of all policies covering the Property shall be deposited with Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided the Mortgagee deems the restoration or repair to be economically feasible.

(d) OTHER COVENANTS. Mortgagor covenants not to commit waste or suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from liens superior to the lien of this Mortgage, and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.

4. DEFAULT AND REMEDIES. Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due and in the performance of any of the covenants and promises of the Mortgagor contained herein or in the note(s) secured hereby. In the event of default, Mortgagee may, at his option and subject to the notice provisions of this Mortgage, declare the whole amount of the unpaid principal and accrued interest due and payable and collect it in a suit at law or by foreclosure of this Mortgage by action or advertisement or by the exercise of any other remedy available at law or equity, and Mortgagee may sell the Property at public sale and give deeds of conveyance to the purchasers pursuant to the statutes.

5. NOTICE. Unless otherwise provided in the note(s) secured by this Mortgage, prior to any acceptance (other than under paragraph 12) Mortgagee shall mail notice to Mortgagor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 15 days from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

6. EXPENSES AND ATTORNEY'S FEES. In case of default, whether abated or not, all costs and expenses including reasonable attorneys' fees and expenses of title evidence to the extent not prohibited by law shall be added to the principal, become due as incurred, and, in the event of foreclosure, be included in the judgment.

EXHIBIT

B

7. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Section 846.101 and 846.103(2) of the Wisconsin Statutes, as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and to hold the foreclosure sale within the time provided in such applicable Section.

8. **LIMITATION ON PERSONAL LIABILITY.** Unless a Mortgagor is obligated on the note or notes secured by this Mortgage, the Mortgagor shall not be liable for any breach of covenants contained in this Mortgage.

9. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues, and profits of the Property, during the pendency of such an action, and such rents, issues, and profits when so collected, shall be held and applied as the court shall direct.

10. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

11. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any note(s) secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the note secured by this Mortgage and shall constitute a lien upon the Property.

12. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the note(s) secured by this Mortgage shall become due and payable in full, at the option of the Mortgagee without notice, upon any transfer, sale or conveyance made in violation of this paragraph.

13. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control, following any default under this Mortgage of the note(s) secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

Dated this 20th day of July, ~~XX~~ 2000

RIVERVIEW DAIRY a Idaho partnership (SEAL)
(Mortgagor)

* Jeanne Serviss, as a partner (SEAL)
(Mortgagor)

* Dean Bezek, as a partner
(Mortgagor)

AUTHENTICATION

Signature(s) _____

authenticated this _____ day of _____, 19____

TITLE: MEMBER STATE BAR OF WISCONSIN

(If not, _____
authorized by §706.06, Wis. Stats.)

THIS INSTRUMENT WAS DRAFTED BY _____

(Signatures may be authenticated or acknowledged. Both are not necessary.)

Jeanne Serviss, individually (SEAL)

(Mortgagor)

* Dean Bezek, individually (SEAL)

(Mortgagor)

* Dean Bezek

ACKNOWLEDGMENT

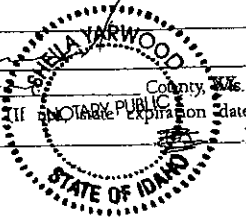
State of ~~WISCONSIN~~, IDAHO

Jerome County. } ss.

Personally came before me this _____ day of
July 26, ~~XX~~ 2000, the above named
Jeanne Serviss & Dean Bezek
as partners and individually

to me known to be the person _____ who executed the foregoing
instrument and acknowledge the same.

* Shirley Yarrowood County Jerome, IDAHO
Notary Public, _____
My commission is permanent. (If not, state expiration date: 3/9/01)



PARCEL I:

EXHIB. "A"

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

Section 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcel of land:

Beginning at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ which point shall be known
as the TRUE POINT OF BEGINNING;

Thence North along the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;
Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;
Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a
point on the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence West along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to THE
TRUE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as
follows:

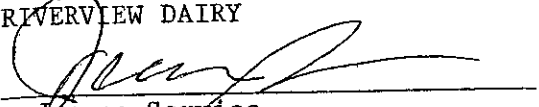
Commencing at the Southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the TRUE
POINT OF BEGINNING;
Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;
Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet;
Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a
point on the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence West along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet to the TRUE
POINT OF BEGINNING.

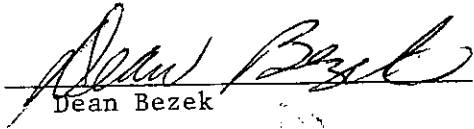
ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as
follows:

Commencing at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet to the TRUE
POINT OF BEGINNING;
Thence continuing East along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 feet;
Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 feet, more
or less, to the centerline of an irrigation canal;
Thence Westerly along the centerline of said canal to the West boundary of the
SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence South along the West boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 225.00 feet, more or
less, to a point that lies North 233.35 feet from Southwest corner of the
SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence East parallel to the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet;
Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the
TRUE POINT OF BEGINNING.

Page (1) of (2) Continued-

RIVERVIEW DAIRY


Jeanne Serviss


Dean Bezek

PARCEL 11:

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

Section 26: A parcel of land located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, more particularly described as follows:

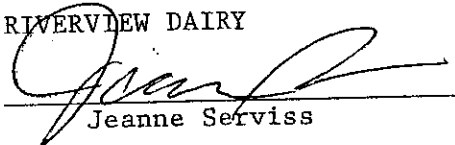
Commencing at the Southeast corner of said Section 26, from which the East One Quarter corner of said Section 26 bears North 00°04'59" East, 2639.17 feet;
Thence North 00°04'39" East along the East boundary of the SE $\frac{1}{4}$ of Section 26 for a distance of 1319.59 feet to the Southeast corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 and being THE TRUE POINT OF BEGINNING;
Thence North 89°40'49" West along the South boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 906.00 feet;
Thence North 72°34'12" East for a distance of 477.41 feet;
Thence North 43°21'23" East for a distance of 621.04 feet;
Thence South 89°55'01" East for a distance of 25.0 feet to a point on the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26;
Thence South 00°04'59" West along the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 599.59 feet to THE TRUE POINT OF BEGINNING.

SUBJECT TO a 25.0 foot wide county road easement along the East boundary of the before described parcel.

PAGE 2 of 2

END OF EXHIBIT "A"

RIVERVIEW DAIRY


Jeanne Serviss
Dean Bezek

When Recorded Return to: Equity Livestock Credit Corporation
E10890 Penny Lane
Baraboo, WI 53913

Attn.: Ellen Oehlhof
Order No.:
Loan Number: #11248 / L-0123

Instrument # 2005334

JEROME COUNTY, JEROME, IDAHO
2000-12-05 12:12:29 No. of Pages: 10
Recorded for: EQUITY LIVESTOCK CREDIT CORP
CHERYL WATTS Fee: 30.00
Ex-Officio Recorder Deputy *C. Bench*

[Space Above This Line For Recording Data]

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on Nov. 20, 2000. The grantor is Riverview Dairy (Jeanne Serviss & Dean Bezek) as individuals and as partners ("Borrower"). The trustee is _____, an ("Trustee"). The beneficiary is Equity Livestock Credit Corporation which is organized and existing under the laws of the State of Wisc., and whose address is E10890 Penny Lane, Baraboo, WI 53913 ("Lender"). Borrower owes Lender the principal sum of Nine-hundred, ten-thousand

Dollars (U.S. \$910,000).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on 11-20-2004. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Jerome County, IDAHO:

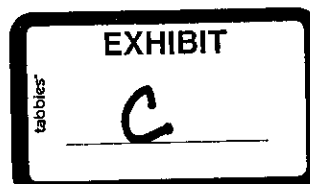
SEE EXHIBIT "A" & EXHIBIT "A" continued

Property Tax ID Number: RP 08S17E362402 A / RP 08S17E350001 A
which has the address of JEROME IDAHO 179 S 500 E (Street)
(City), (Zip Code) ("Property Address");
83338

IDAHO Single Family-FRMA/THLAC UNIFORM INSTRUMENT

Page 1 of 8

idctd



Form 3013 9/96
Amended 5/97
Initials: *DRP*

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to

amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the

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Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest In Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period,

Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law.

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Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under applicable law.

23. **Substitute Trustee.** Lender may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Area and Location of Property.** Either the Property is not more than forty acres in area or the Property is located within an incorporated city or village.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

[Check applicable box(es)]

- | | | |
|---|---|---|
| ☐ Adjustable Rate Rider | ☐ Condominium Rider | ☐ 1-4 Family Rider |
| ☐ Graduated Payment Rider | ☐ Planned Unit Development Rider | ☐ Biweekly Payment Rider |
| ☒ Balloon Rider | ☐ Rate Improvement Rider | ☐ Second Home Rider |
| ☐ VA Rider | ☐ Other(s) [specify] | |

PARCEL 1:

EXHIBIT "A"

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

Section 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcel of land:

Beginning at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ which point shall be known
as the TRUE POINT OF BEGINNING;

Thence North along the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;

Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;

Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a
point on the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence West along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to THE
TRUE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as
follows:

Commencing at the Southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the TRUE
POINT OF BEGINNING;

Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;

Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet;

Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a
point on the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence West along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet to the TRUE
POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as
follows:

Commencing at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet to the TRUE
POINT OF BEGINNING;

Thence continuing East along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 feet;

Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 feet, more
or less, to the centerline of an irrigation canal;

Thence Westerly along the centerline of said canal to the West boundary of the
SE $\frac{1}{4}$ SE $\frac{1}{4}$;

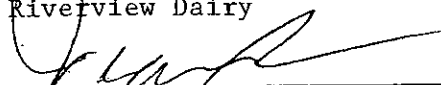
Thence South along the West boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 225.00 feet, more or
less, to a point that lies North 233.35 feet from Southwest corner of the
SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence East parallel to the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet;

Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the
TRUE POINT OF BEGINNING.

Page (1) of (2) Continued-

Riverview Dairy


Jeanne Serviss, partner &
individually


Dean Bezek, partner &
individually

EXHIBIT "A" CONTINUED-

PARCEL 11:

TOWNSHIP 3 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,
JEROME COUNTY, IDAHO

Section 26: A parcel of land located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, more particularly described as follows:

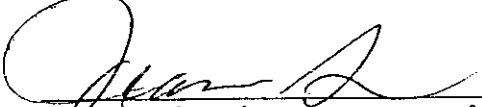
Commencing at the Southeast corner of said Section 26, from which the East One Quarter corner of said Section 26 bears North 00°04'59" East, 2639.17 feet;
Thence North 00°04'39" East along the East boundary of the SE $\frac{1}{4}$ of Section 26 for a distance of 1319.59 feet to the Southeast corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 and being THE TRUE POINT OF BEGINNING;
Thence North 89°40'49" West along the South boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 906.00 feet;
Thence North 72°34'12" East for a distance of 477.41 feet;
Thence North 43°21'23" East for a distance of 621.04 feet;
Thence South 89°55'01" East for a distance of 25.0 feet to a point on the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26;
Thence South 00°04'59" West along the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 599.59 feet to THE TRUE POINT OF BEGINNING.

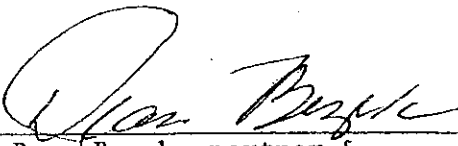
SUBJECT TO a 25.0 foot wide county road easement along the East boundary of the before described parcel.

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END OF EXHIBIT "A"

Riverview Dairy


Jeanne Serviss, partner &
individually


Dean Bezek, partner &
individually

When Recorded Return to: Equity Livestock Credit Corporation
E10890 Penny Lane
Baraboo, WI 53913

Attn.: Ellen Oehlhof
Order No.:
Loan Number: #11248 / L-0123

Instrument # 2014994
JEROME COUNTY, JEROME, IDAHO
2001-10-29 11:56:50 No. of Pages: 10
Recorded for: EQUITY LIVESTOCK CREDIT CORP.
CHERYL WATTS Fee: 30.00
Ex-Officio Recorder Deputy *L McMullan*

[Space Above This Line For Recording Data]

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on Sept. 10, 2001. The grantor is Riverview Dairy (Jeanne Serviss & Dean Bezek) as individuals and as partners ("Borrower"). The trustee is ELCC, a corporation ("Trustee"). The beneficiary is Equity Livestock Credit Corporation which is organized and existing under the laws of the State of WIS, and whose address is E10890 Penny Lane, Baraboo, WI 53913 ("Lender"). Borrower owes Lender the principal sum of One-million, one-hundred, eighty-one thousand -----

Dollars (U.S. \$1,181,000)

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on 9-1-2002. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in _____ County, IDAHO:

See Exhibit "A" & Exhibit "A" continued

Property Tax ID Number: RP 08S17E362402 A / RP 08S17E350001 A
which has the address of Jerome Idaho 179 S 500 E [Street]
[City], [Zip Code] ("Property Address");
83338

IDAHO Single Family-TNMA/FILMAC UNIFORM INSTRUMENT

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idctd



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Initials: *SP AB*

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds acts a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to

amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the

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Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest In Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period,

Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law.

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Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under applicable law.

23. **Substitute Trustee.** Lender may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Area and Location of Property.** Either the Property is not more than forty acres in area or the Property is located within an incorporated city or village.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

[Check applicable box(es)]

- | | | |
|--|---|---|
| ☐ Adjustable Rate Rider | ☐ Condominium Rider | ☐ 1-4 Family Rider |
| ☐ Graduated Payment Rider | ☐ Planned Unit Development Rider | ☐ Biweekly Payment Rider |
| ☐ Balloon Rider | ☐ Rate Improvement Rider | ☐ Second Home Rider |
| ☐ VA Rider | ☐ Other(s) [specify] | |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

RIVERVIEW DAIRY a partnership

Jeanne Serviss
JEANNE SERVISS, partner

Dean Bezek (Seal)
Dean Bezek, partner -Borrower

Jeanne Serviss
JEANNE SERVISS, individually

Dean Bezek (Seal)
Dean Bezek, individually -Borrower

(Seal)
-Borrower

(Seal)
-Borrower

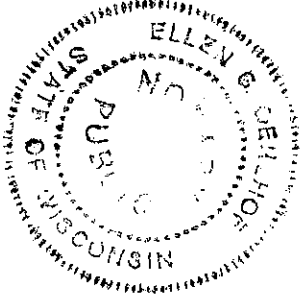
STATE OF ^{WISC}IDAHO,

County ss: Columbia

On this 10th day of September, before me, Jeanne Serviss and Dean Bezek, a Notary Public in and for said county and state, personally appeared

known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that 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.



Ellen G. Oelrichs
Notary Public residing at:

PARCEL 1:

EXHIBIT "A"

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

Section 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPTING THEREFROM the following described parcel of land:

Beginning at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ which point shall be known
as the TRUE POINT OF BEGINNING;
Thence North along the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;
Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;
Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a
point on the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence West along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to THE
TRUE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as
follows:

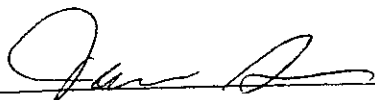
Commencing at the Southwest corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the TRUE
POINT OF BEGINNING;
Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet;
Thence East parallel to the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet;
Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to a
point on the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence West along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 feet to the TRUE
POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, described as
follows:

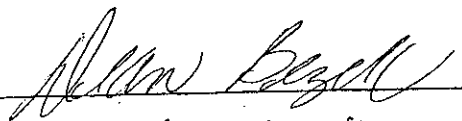
Commencing at the Southwest corner of said SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence East along the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet to the TRUE
POINT OF BEGINNING;
Thence continuing East along the South boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 feet;
Thence North parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 feet, more
or less, to the centerline of an irrigation canal;
Thence Westerly along the centerline of said canal to the West boundary of the
SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence South along the West boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 225.00 feet, more or
less, to a point that lies North 233.35 feet from Southwest corner of the
SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence East parallel to the South boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 feet;
Thence South parallel to the West boundary of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 feet to the
TRUE POINT OF BEGINNING.

Page (1) of (2) Continued-

Riverview Dairy



Jeanne Serviss, partner &
individually



Dean Bezek, partner &
individually

EXHIBIT "A" CONTINUED-

PARCEL 11:

TOWNSHIP 3 SOUTH, RANGE 17 EAST OF THE BOISE MERIDIAN,
JEROME COUNTY, IDAHO

Section 26: A parcel of land located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, more particularly described as follows:

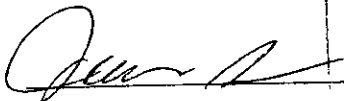
Commencing at the Southeast corner of said Section 26, from which the East One Quarter corner of said Section 26 bears North 00°04'59" East, 2639.17 feet;
Thence North 00°04'39" East along the East boundary of the SE $\frac{1}{4}$ of Section 26 for a distance of 1319.59 feet to the Southeast corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 and being THE TRUE POINT OF BEGINNING;
Thence North 89°40'49" West along the South boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 906.00 feet;
Thence North 72°34'12" East for a distance of 477.41 feet;
Thence North 43°21'23" East for a distance of 621.04 feet;
Thence South 89°55'01" East for a distance of 25.0 feet to a point on the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26;
Thence South 00°04'59" West along the East boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26 for a distance of 599.59 feet to THE TRUE POINT OF BEGINNING.

SUBJECT TO a 25.0 foot wide county road easement along the East boundary of the before described parcel.

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END OF EXHIBIT "A"

Riverview Dairy



Jeanne Serviss, partner &
individually



Dean Bezek, partner &
individually

MORTGAGE

ARTICLE 1 DATE AND NAMES AND ADDRESSES OF PARTIES

1.1 Date. This Mortgage is executed and delivered on the 15 day of May, 2003.

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, Wisconsin 53913 is the "Mortgagee."

1.3 Names and Address of Mortgagors. Riverview Dairy, a partnership and Jeanne Serviss, as partner and as an individual, and Dean Bezek, as a partner, and as an individual, whose address is 179 South, 500 East, Jerome, Idaho 83338, are the "Mortgagors."

ARTICLE 2 DEBT AND SECURITY

2.1 Equity Livestock Credit Corporation Input Finance Agreement Containing Promissory Note and Security Agreement. Mortgagors executed and delivered Equity Livestock Credit Corporation Input Finance Agreement Containing Promissory Note and Security Agreement, a copy of which is attached hereto as "A," and by this reference made a part hereof. The parties acknowledge funds have been advanced to Mortgagors pursuant to said agreements and note, in conjunction with and in exchange for the security created hereby.

2.2 Payment Terms. Mortgagors shall pay the principal amount in accordance with the Equity Livestock Credit Corporation Input Finance Agreement Containing Promissory Note and Security Agreement, referenced hereinabove. In addition to the foregoing, 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, and Exhibit "B," attached hereto and by this reference made a part hereof, to Mortgagee to secure the payment of the indebtedness represented by the agreements and note referenced herein.

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 "B," 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 agreements, note, 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.

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 agreements, note, 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 Equity Livestock Credit Corporation Input Finance Agreement Containing Promissory Note and Security Agreement, 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 note, agreements, or indebtedness secured by this Mortgage, except as otherwise specified by the Mortgagee in writing.

4.3 Payment of Debt. If payments are made in full, as contemplated in the agreements, note 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 agreements and note 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 agreements and note secured by this Mortgage, if the Mortgagee so elects, 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 E10890 Penny Lane, Barboo, Wisconsin 53913, or by the Mortgagee addressed to the Mortgagors at 179 South, 500 East, 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.

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.

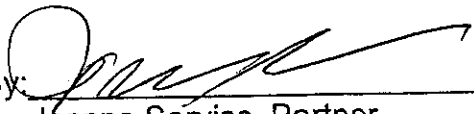
5.10 Mortgagors' Further Assurances. The Mortgagors do further covenant to Mortgagee to execute any and all other documents which may be necessary to effect the granting of the security interest conveyances contemplated by this Mortgage.

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, agreements or note, or the delay 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 19 day of MAY, 2003.

ARTICLE 6
SIGNATURES OF MORTGAGORS

RIVERVIEW DAIRY

By: 
Jeanne Serviss, Partner

By: 
Dean Bezek, Partner

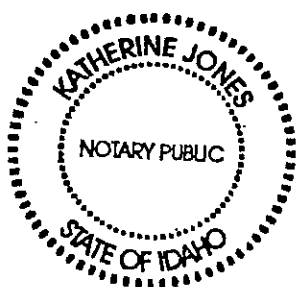

Jeanne Serviss, individually


Dean Bezek, individually

STATE OF IDAHO)
) ss.
County of TWIN FALLS)

On this 19 day of MAY, 2003, before me, a notary public for _____, personally appeared Jeanne Serviss and Dean Bezek, 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 their personal and representative capacities.

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



Katherine Jones
NOTARY PUBLIC FOR IDAHO
Residing at: 1864 BLUE LAKES BLVD TF ID 8339
Commission expires: 1-2-2009

TERM NOTE

\$3,500,000

February 3, 2005

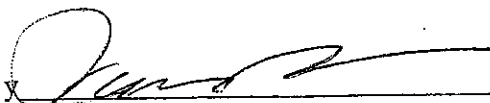
FOR VALUE RECEIVED, RIVERVIEW DAIRY, a partnership (the "Borrower") hereby promises to pay to the order of EQUITY LIVESTOCK CREDIT CORPORATION (the "Lender"), the principal sum of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000.00) or before the dates specified in the Credit Agreement referred to below (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"); and to pay interest on said sum at the rates and on the dates provided in the Credit Agreement.

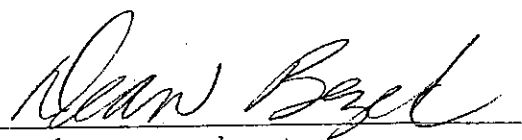
The Borrower shall make all payments hereunder to the Lender, as indicated in the Credit Agreement, in lawful money of the United States.

This note is the Note referred to in the Credit Agreement, dated as of February 3, 2005, by and between the Borrower and Lender. Terms used herein have the meanings assigned to those terms in the Credit Agreement, unless otherwise defined herein.

The Borrower shall pay all reasonable fees and expenses, including reasonable attorneys' fees, incurred by the Lender in the enforcement or attempt to enforce any of Borrower's obligations hereunder not performed when due. The Borrower hereby waives notice of presentment, demand, protest or notice of any other kind. This note shall be governed by and construed in accordance with the laws of the State of Idaho.

RIVERVIEW DAIRY, a partnership

By 
Jeanne Serviss, a general partner

By 
Dean Bezek, a general partners

3328374_1.DOC

EXHIBIT

F

Recording Requested By,
And After Recording, Return To:

Holland & Hart LLP
P.O. Box 2527
Boise, ID 83701-2527
Larry E. Prince

Instrument # 2051058
JEROME COUNTY, JEROME, IDAHO
2005-02-28 11:25:08 No. of Pages: 8
Recorded for: HOLLAND & HART LLP
CHERYL WATTS Fee: 12.00
Ex-Officio Recorder Deputy *Cheryl*

MODIFICATION OF DEEDS OF TRUST AND MORTGAGES

This Modification of Mortgages ("Modification") is entered into as of the 3rd day of February 2005, by and between RIVERVIEW DAIRY, a partnership, JEANNE SERVISS, as a partner and individually and DEAN BEZEK, as a partner and individually, whose address is 179 South, 500 East, Jerome, Idaho 83338 (collectively "Mortgagor") and EQUITY LIVESTOCK CREDIT CORPORATION ("Mortgagee").

RECITALS

This Modification is entered into upon the basis of the following facts and understandings of the parties:

A. This Modification pertains to the following Deeds of Trust and Mortgages:

1. That certain Deed of Trust dated as of August 2, 2000, executed by Mortgagor to Mortgagee, and recorded on August 9, 2000, as Instrument No. 2003529 in the Official Records of Jerome County, Idaho, as modified;
2. That certain Mortgage dated as of July 20, 2000, executed by Mortgagor to Mortgagee, and recorded on September 25, 2000, as Instrument No. 2004286 in the Official Records of Jerome County, Idaho, as modified;
3. That certain Deed of Trust dated as of November 20, 2000, executed by Mortgagor to Mortgagee, and recorded on December 5, 2000, as Instrument No. 2005334 in the Official Records of Jerome County, Idaho, as modified;
4. That certain Deed of Trust dated as of September 10, 2001, executed by Mortgagor to Mortgagee, and recorded on October 29, 2001, as Instrument No. 2014994 in the Official Records of Jerome County, Idaho, as modified; and
5. That certain Mortgage dated as of May 15, 2003, executed by Mortgagor to Mortgagee, and recorded on May 28, 2003, as Instrument No. 2033204 in the Official Records of Jerome County, Idaho, as modified.

The foregoing Deeds of Trust and Mortgages shall be collectively referred to herein as the "Mortgage."

EXHIBIT

G

B. Jeanne Serviss is the record owner of the property covered by the Mortgage and is a general partner of Riverview Dairy. Jeanne Serviss executed the Mortgage and granted Mortgagee a mortgage lien on the property described in the Mortgage in order to secure the repayment of the indebtedness due Mortgagee from Riverview Dairy and the amounts due Mortgagee from Dean Bezek and Jeanne Serviss individually.

C. Riverview Dairy filed a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the District of Idaho, case number 04-40370 (the "Bankruptcy Case"). Riverview Dairy's Chapter 11 plan provides that Equity Livestock has an allowed secured claim in the amount of \$3,500,000. Jeanne Serviss and Dean Bezek are also obligated for the payment of this allowed secured claim.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Mortgage is hereby modified to provided that the obligations secured thereby include the payment to Mortgagee of all indebtedness and the performance of all obligations evidenced by or arising under that certain promissory note dated as of the date hereof, executed by Riverview Dairy and payable to Mortgagee, or its order, on or before March 20, 2013, in the principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000), which promissory note represents the allowed secured claim of Mortgagee in the Bankruptcy Case, together with interest thereon, and all other indebtedness or other obligations incurred under or in connection with such allowed secured claim evidenced by said promissory note, even if not specifically referenced therein.

2. The real property and the whole thereof described in the Mortgage shall remain subject to the lien, charge or encumbrance of the Mortgage and nothing herein contained or done pursuant hereto shall affect or be construed to affect the liens, charges or encumbrances of the Mortgage, or the priority thereof over other liens, charges or encumbrances, or to release or affect the liability of any party or parties who may now or hereafter be liable under or on account of said promissory note and/or the Mortgage.

3. All terms and conditions of the Mortgage are incorporated herein and, except as expressly modified herein, remain in full force and effect, without waiver or amendment. This Modification and the Mortgage shall be read together, as one document.

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be executed as of the day and year first above written.

MORTGAGEE:

EQUITY LIVESTOCK CREDIT
CORPORATION

By: Charles Adams

Title: PRESIDENT / CEO

MORTGAGOR:

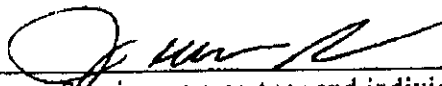
RIVERVIEW DAIRY

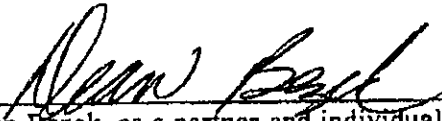
By: Jeanne Serviss

Jeanne Serviss

By: Dean Bezek

Dean Bezek


Jeanne Serviss, as a partner and individually


Dean Bezek, as a partner and individually

STATE OF IDAHO)

County of Min. Idaho) ss:

On this 10th day of February 2005, before me, a notary public, personally appeared JEANNE SERVISS, known or identified to me (or proved to me on the oath of Jeanne Serviss) to be a general partner of RIVERVIEW DAIRY, a partnership, that executed the instrument or the person who executed the instrument on behalf of said partnership and acknowledged to me that such partnership 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
STATE OF IDAHO

Brent T. Robinson
Notary Public

Residing at River View Dairy

Comm. Expires 11/24/06

STATE OF IDAHO)

County of Min. Idaho) ss:

On this 10th day of February 2005, before me, a notary public, personally appeared DEAN BEZEK, known or identified to me (or proved to me on the oath of Dean Bezek) to be a general partner of RIVERVIEW DAIRY, a partnership, that executed the instrument or the person who executed the instrument on behalf of said partnership and acknowledged to me that such partnership 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
STATE OF IDAHO

Brent T. Robinson
Notary Public

Residing at River View Dairy

Comm. Expires 11/24/06

STATE OF IDAHO)
County of Mind. Id. ss:

On this 10th day of February 2005, before me, a notary public, personally appeared JEANNE SERVISS, known or identified to me (or proved to me on the oath of Jeanne Serviss) 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
STATE OF IDAHO**

Brent T. Robinson
Notary Public
Residing at Rupert Idaho
Comm. Expires 11/24/06

STATE OF IDAHO)
County of Mind. Id. ss:

On this 10th day of February 2005, before me, a notary public, personally appeared DEAN BEZEK, known or identified to me (or proved to me on the oath of Dean Bezek) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

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

**BRENT T. ROBINSON
NOTARY PUBLIC
STATE OF IDAHO**

Brent T. Robinson
Notary Public
Residing at Rupert Idaho
Comm. Expires 11/24/06

STATE OF WISCONSIN)
County of Sauk) ss:

On this 22 day of February 2005, before me, the undersigned notary public for said state, personally appeared Charles Adam, known to me to be the President & CEO of EQUITY LIVESTOCK CREDIT CORPORATION, a Wisconsin corporation, the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same on behalf of said corporation.

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

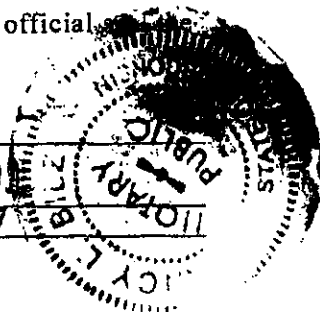
Mary L. Bly
Notary Public

Residing at

Comm. Expires

Baraboo WI

6/10/2007



3331198_1.DOC

DISTRICT COURT
FIFTH JUDICIAL DIST
JEROME COUNTY, IDAHO

2006 MAR 30 PM 1 31

Larry E. Prince (ISB #1759)
HOLLAND & HART LLP
Suite 1400, U.S. Bank Plaza
101 South Capitol Boulevard
P.O. Box 2527
Boise, Idaho 83701-2527
Telephone: (208) 342-5000
Facsimile: (208) 343-8869

BY

DEPUTY CLERK

Attorneys For Plaintiff Equity Livestock Credit Corporation

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF JEROME

EQUITY LIVESTOCK CREDIT
CORPORATION,

Plaintiff,

vs.

JEANNE L. SERVISS; RIVERVIEW DAIRY,
an Idaho General Partnership; DEAN BEZEK; J
& E FARMS, an Idaho limited liability
company; THE GLASS MAN, INC., an Idaho
corporation; BURKS TRACTOR COMPANY,
INC., an Idaho corporation; SCHUTTE, INC.,
an Idaho corporation; MAGIC VALLEY PIPE,
INC., an Idaho corporation; ELECTRIC
EXPRESS, INC., an Idaho corporation;
SCHAEFFER FARMS, INC., an Idaho
corporation; INTERMOUNTAIN
COMMODITIES CO., L.L.C., an Idaho limited
liability company; FARRELL ATKINSON;
JARED NICOLSON; MIKE TELFORD;
SHANNON TELFORD; THE STATE OF
IDAHO, DEPARTMENT OF COMMERCE &
LABOR,

Defendants.

Case No. *CV 2006-360*

LIS PENDENS

Instrument # 2061780

JEROME COUNTY, JEROME, IDAHO
2006-03-31 09:56:09 No. of Pages: 4
Recorded for : HOLLAND & HART LLP
CHERYL WATTS Fee: 12.00
Ex-Officio Recorder Deputy *J. M. M. M.*

NOTICE IS HEREBY GIVEN that an action has been commenced in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Jerome by plaintiff Equity Livestock Credit Corporation, against the above-named defendants, which action is brought for, among other things, the foreclosure of mortgages upon and against the land, premises, and property located in Jerome County, Idaho, and more particularly described below:

PARCEL 1:

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

SECTION 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$, EXCEPTING THEREFROM THE FOLLOWING
DESCRIBED PARCEL OF LAND:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$
WHICH POINT SHALL BE KNOWN AS THE TRUE POINT OF
BEGINNING;
THENCE NORTH ALONG THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO A POINT ON THE SOUTH BOUNDARY OF
SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE WEST ALONG THE SOUTH BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PART OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET TO THE TRUE POINT OF BEGINNING; THENCE
NORTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 FEET;

THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO A POINT ON THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE WEST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PART OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING EAST ALONG THE SOUTH BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 FEET;
THENCE NORTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 FEET, MORE OR LESS, TO THE CENTERLINE OF AN IRRIGATION CANAL;
THENCE WESTERLY ALONG THE CENTERLINE OF SAID CANAL TO THE WEST BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;

THENCE SOUTH ALONG THE WEST BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$, 225.00 FEET, MORE OR LESS, TO A POINT THAT LIES NORTH 233.35 FEET FROM SOUTHWEST CORNER OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

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

SECTION 26: A PARCEL OF LAND LOCATED IN THE NE $\frac{1}{4}$ SE $\frac{1}{4}$, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 26, FROM WHICH THE EAST ONE QUARTER CORNER OF SAID SECTION 26 BEARS NORTH 00°04'59" EAST, 2639.17 FEET;
THENCE NORTH 00°04'39" EAST ALONG THE EAST BOUNDARY OF THE SE $\frac{1}{4}$ OF SECTION 26 FOR A DISTANCE OF 1319.59 FEET TO THE SOUTHEAST CORNER OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 26 AND BEING THE TRUE POINT OF BEGINNING;
THENCE NORTH 89°40'49" WEST ALONG THE SOUTH BOUNDARY OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 26 FOR A DISTANCE OF 906.00 FEET;

THENCE NORTH 72°34'12" EAST FOR A DISTANCE OF 477.41 FEET;
THENCE NORTH 43°21'23" EAST FOR A DISTANCE OF 621.04 FEET;
THENCE SOUTH 89°55'01" EAST FOR A DISTANCE OF 25.0 FEET TO A POINT ON THE EAST BOUNDARY OF THE NE¼SE¼ OF SECTION 26;
THENCE SOUTH 00°04'59" WEST ALONG THE EAST BOUNDARY OF THE NE¼SE¼ OF SECTION 26 FOR A DISTANCE OF 599.59 FEET TO THE TRUE POINT OF BEGINNING.

SUBJECT TO A 25.0 FEET WIDE COUNTY ROAD EASEMENT ALONG THE EAST BOUNDARY OF THE BEFORE DESCRIBED PARCEL.

DATED this 27th day of March 2006.

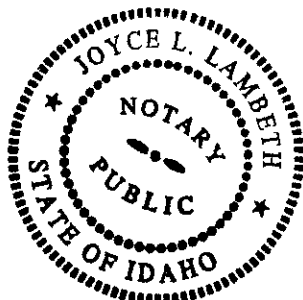
HOLLAND & HART LLP

By [Signature]
Larry E. Prince, of the firm
Attorneys for Equity Livestock Credit Corporation

STATE OF IDAHO)
 : ss.
County of Ada)

On this 27th day of March 2006, before me, Joyce L. Lambeth, a notary public in and for said State, personally appeared LARRY E. PRINCE, known or identified to me to be the person who executed the instrument, and acknowledged to me that he executed the same.

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



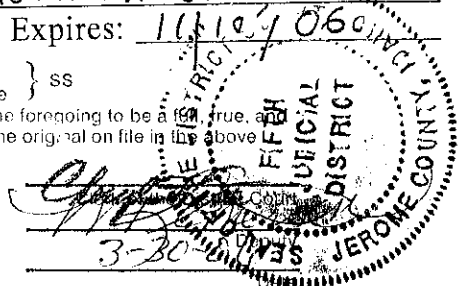
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LIS PENDENS - 4

Joyce L. Lambeth
Notary Public
Residing at: Mountain Home, Idaho
My Commission Expires: 11/10/06

State of Idaho)
County of Jerome : ss

I hereby certify the foregoing to be a true, correct copy of the original on file in the above entitled action.



Colette Hardesty

From: Colette Hardesty on behalf of Larry Prince
Sent: Monday, April 03, 2006 1:11 PM
To: 'adami@equitycoop.com'; 'Tod Fleming'
Subject: Riverview Dairy/Lis Pendens

Attached is a copy of the recorded Lis Pendens. As you can see, the Lis Pendens was recorded with the Jerome County Recorder's office on March 31, 2006 as Instrument No. 2061780.

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Holland & Hart LLP
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HOLLAND & HART



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4/3/2006

DISTRICT COURT
FIFTH JUDICIAL DIST
JEROME COUNTY, IDAHO

2006 SEP 8 PM 3 08

Sheryl Watts
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DEPUTY CLERK

Larry E. Prince, ISB #1759
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Facsimile: (208) 343-8869

Attorneys For Plaintiff Equity Livestock Credit Corporation

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF JEROME

EQUITY LIVESTOCK CREDIT
CORPORATION,

Plaintiff,

vs.

JEANNE L. SERVISS; RIVERVIEW
DAIRY, an Idaho General Partnership;
DEAN BEZEK; J & E FARMS, an Idaho
limited liability company; THE GLASS
MAN, INC., an Idaho corporation; BURKS
TRACTOR COMPANY, INC., an Idaho
corporation; SCHUTTE, INC., an Idaho
corporation; MAGIC VALLEY PIPE, INC.,
an Idaho corporation; ELECTRIC EXPRESS,
INC., an Idaho corporation; SCHAEFFER
FARMS, INC., an Idaho corporation;
INTERMOUNTAIN COMMODITIES CO.,
L.L.C., an Idaho limited liability company;
FARRELL ATKINSON; JARED
NICOLSON; MIKE TELFORD; SHANNON
TELFORD; THE STATE OF IDAHO,
DEPARTMENT OF COMMERCE &
LABOR,

Defendants.

Case No. CV 2006-360

STIPULATION FOR JUDGMENT

COME NOW, Plaintiff Equity Livestock Credit Corporation ("Equity Livestock"), by and through its counsel of record, Holland & Hart LLP, and Defendants Jeanne L. Serviss ("Serviss"), Riverview Dairy, an Idaho general partnership ("Riverview Dairy"), and Dean Bezek ("Bezek"), by and through their counsel of record, Brent T. Robinson of the firm of Ling, Robinson & Walker, do hereby stipulate and agree that the Court may enter judgment as to Defendants Serviss, Riverview Dairy, and Bezek as follows:

1. That Equity Livestock has a mortgage lien on the below-described Mortgaged Real Property which is prior in time and superior in right to any right, title, claim or interest Defendants Serviss, Riverview Dairy, and Bezek may have in the Mortgaged Real Property, said mortgage lien being evidenced by the following mortgages, deeds of trust, and modification executed in Equity Livestock's favor by Defendants Serviss, Riverview Dairy, and Bezek:

a. That certain Deed of Trust recorded as Instrument No. 2003529 on August 9, 2000, with the Jerome County, Idaho Recorder's Office (the "First Deed of Trust");

b. That certain Mortgage recorded as Instrument No. 2004286 on September 25, 2000, with the Jerome County, Idaho Recorder's Office (the "First Mortgage");

c. That certain Deed of Trust recorded as Instrument No. 2005334 on December 5, 2000, with the Jerome County, Idaho Recorder's Office (the "Second Deed of Trust");

d. That certain Deed of Trust recorded as Instrument No. 2014994 on October 29, 2001, with the Jerome County, Idaho Recorder's Office (the "Third Deed of Trust");

e. That certain Mortgage recorded as Instrument No. 2033204 on May 28, 2003, with the Jerome County, Idaho Recorder's Office (the "Second Mortgage");

f. That certain Modification of Deeds of Trust and Mortgages recorded as Instrument No. 2051058 on February 28, 2005, with the Jerome County, Idaho Recorder's Office (the "Modification").

The First Deed of Trust, the First Mortgage, the Second Deed of Trust, the Third Deed of Trust, and the Second Mortgage, as modified by the Modification, shall be collectively referred to herein as the "Mortgage." The "Mortgaged Real Property" is the following described property, together with all rights and appurtenants thereto:

PARCEL 1:

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

SECTION 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$
EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL
OF LAND:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$
WHICH POINT SHALL BE KNOWN AS THE TRUE POINT OF
BEGINNING;
THENCE NORTH ALONG THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO A POINT ON THE SOUTH BOUNDARY OF
SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$;

THENCE WEST ALONG THE SOUTH BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PART OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET TO THE TRUE POINT OF BEGINNING; THENCE
NORTH PARALLEL TO THE WEST BOUNDARY OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$,
233.35 FEET;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 186.70 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO A POINT ON THE SOUTH BOUNDARY OF
THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE WEST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
186.70 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PART OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST ALONG THE SOUTH BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
420.05 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING EAST ALONG THE SOUTH BOUNDARY OF
SAID SE $\frac{1}{4}$ SE $\frac{1}{4}$, 25.00 FEET;
THENCE NORTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 418.35 FEET, MORE OR LESS, TO THE CENTERLINE OF
AN IRRIGATION CANAL;
THENCE WESTERLY ALONG THE CENTERLINE OF SAID CANAL
TO THE WEST BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE SOUTH ALONG THE WEST BOUNDARY OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$,
225.00 FEET, MORE OR LESS, TO A POINT THAT LIES NORTH
233.35 FEET FROM SOUTHWEST CORNER OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$;
THENCE EAST PARALLEL TO THE SOUTH BOUNDARY OF THE
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 420.05 FEET;
THENCE SOUTH PARALLEL TO THE WEST BOUNDARY OF SAID
SE $\frac{1}{4}$ SE $\frac{1}{4}$, 233.35 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

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

SECTION 26: PART OF THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 26;
THENCE NORTH 00°04'39" EAST ALONG THE EAST BOUNDARY OF THE SE¼ 1319.59 FEET TO THE SOUTHEAST CORNER OF THE NE¼SE¼ OF SECTION 26 AND BEING THE TRUE POINT OF BEGINNING;
THENCE NORTH 89°40'49" WEST ALONG THE SOUTH BOUNDARY OF THE NE¼SE¼ OF SECTION 26 A DISTANCE OF 906.00 FEET;
THENCE NORTH 72°34'12" EAST 477.41 FEET;
THENCE NORTH 43°21'23" EAST 621.04 FEET;
THENCE SOUTH 89°55'01" EAST 25.00 FEET TO A POINT ON THE EAST BOUNDARY OF THE NE¼SE¼ OF SECTION 26;
THENCE SOUTH 00°04'59" WEST ALONG THE EAST BOUNDARY OF THE NE¼SE¼ OF SECTION 26 A DISTANCE OF 599.59 FEET TO THE POINT OF BEGINNING;

2. That Riverview Dairy filed a Title 11 U.S.C. bankruptcy case in the United States Bankruptcy Court for the District of Idaho, Case No. 04-40370 (the "Riverview Dairy Bankruptcy Case"). Riverview Dairy filed a Chapter 11 plan in the Riverview Dairy Bankruptcy Case (the "Plan") and the Plan provided, among things, that Equity Livestock had an allowed secured claim in the amount of \$3,500,000. The Plan was confirmed by the Bankruptcy Court on January 12, 2005 and the Order Confirming the Plan was entered in the Riverview Dairy Bankruptcy Case on February 2, 2005 as docket no. 120. The Riverview Dairy Bankruptcy Case was closed on November 25, 2005 by the entry of a Final Decree (docket no. 145);

3. That as provided in the Plan, in order to further evidence the amounts due and payable to Equity Livestock, Riverview Dairy executed a promissory note dated as of February 3, 2005 in the principal amount of \$3,500,000 (the "Note"). The repayment of the Note and certain other obligations are secured by the Mortgaged Real Property as is more particularly provided in the Mortgage;

4. That Equity Livestock recover judgment against Riverview Dairy on the Note for the purpose of the foreclosure, and not for the purpose of seeking a deficiency judgment against either Riverview Dairy, Serviss, or Bezek, in the following amounts:

- a. The principal sum of \$2,975,755.09; plus
- b. Accrued and unpaid interest as of July 26, 2006 in the amount of \$101,817.60;
- c. Interest on the unpaid principal balance from July 26, 2006 at the current per diem rate of \$835.66 until judgment is entered and thereafter at the applicable rate under Idaho Code §28-22-104(2); and
- d. For the cost of the Litigation Guaranty obtained by Equity Livestock in the amount of \$2,555.00;

5. That the repayment of the aggregate sums described in paragraph 4 above is secured by a valid mortgage lien on the Mortgaged Real Property in favor of Equity Livestock which is prior to and superior in time and in right to Defendants Serviss, Riverview Dairy, and Bezek's right, title or interest in and to the Mortgaged Real Property;

6. That the Mortgaged Real Property shall be sold at public auction by the Sheriff of Jerome County, Idaho, at which sale Equity Livestock may make a credit bid, in the manner prescribed by law and according to the rules and practice of this Court;

7. That the proceeds of the sale under foreclosure shall be applied:

- a. First, in payment of the costs of the foreclosure sale;
- b. Second, in payment of the amounts due Equity Livestock described in paragraph 4 above; and

c. Third, any proceeds of the sale under foreclosure in excess of the amounts described in paragraph 4 above shall be deposited with this Court and thereafter paid in accordance with Idaho Code § 6-102;

8. That Defendants Serviss, Riverview Dairy, and Bezek, and each of them, and all persons claiming under them, either as encumbrancers, purchasers or otherwise, shall be forever barred and foreclosed of and from all right, title, claim, interest, or equity of redemption they may have in and to the Mortgaged Real Property, or any part thereof;

9. That in the event the proceeds from the sale of the Mortgaged Real Property shall be insufficient to satisfy the amounts due herein, together with the costs of sale and other proper charges, as shown by the Sheriff's return on sale, then Equity Livestock shall not have a deficiency judgment against Riverview Dairy, Serviss, or Bezek for the amount of judgment entered herein remaining unsatisfied;

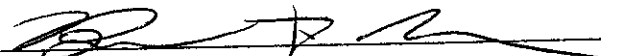
10. That Equity Livestock or any party to the suit may become a purchaser at the sale and the Sheriff of Jerome County, Idaho be directed to execute a certificate of sale and, subsequently, a deed to the purchaser of the Mortgaged Real Property;

11. That the purchaser or purchasers of the Mortgaged Real Property at the foreclosure sale shall be let into possession thereof upon application to this Court, and that any of the parties to this action who may be in possession of said premises or any part thereof, or any person who has come into possession of the Mortgaged Real Property under them, or any of them, shall deliver possession thereof to such purchaser or purchasers upon the production of a Sheriff's Deed for such premises or any part thereof;

12. That the Court shall retain jurisdiction of this cause for the purpose of making such further orders as may be necessary in order to carry the judgment and decree of foreclosure into effect and for the purpose of making such other orders as may be necessary or desirable.

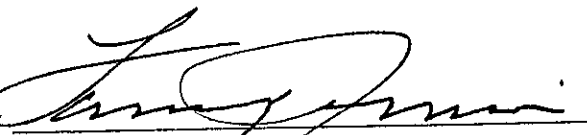
DATED this 31st day of August 2006.

LING, ROBINSON & WALKER

By 
Brent T. Robinson
Attorneys for Jeanne Serviss, Riverview Dairy,
and Dean Bezek

DATED this 6th day of September 2006.

HOLLAND & HART LLP

By 
Larry E. Prince, of the firm
Attorneys for Plaintiff Equity Livestock
Credit Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of Sept, 2006, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

Brent T. Robinson
Ling, Robinson & Walker
615 H Street
P.O. Box 396

Rupert, ID 83350

Fax: (208) 436-6804

Attorney for Serviss, Riverview, and Bezek

- ☒ First Class Mail
- ☐ Hand Delivered
- ☐ Overnight Mail
- ☐ Telecopy (Fax)

John A. Bradley
210 E. 5th Street N, Suite 1
Burley, ID 83318

Attorney for Mike and Shannon Telford

- ☒ First Class Mail
- ☐ Hand Delivered
- ☐ Overnight Mail
- ☐ Telecopy (Fax)

Ann Baker Wilde, Deputy Attorney
General
Department of Commerce and Labor
317 W. Main Street
Boise, ID 83735

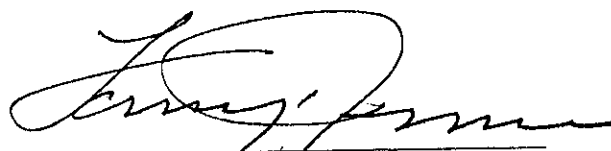
- ☒ First Class Mail
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William A. Parsons
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Attorney for Jared Nicolson and Farrell Atkinson

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for HOLLAND & HART LLP

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