



After Recording Return To:

CGB Agri Financial Services
2209 River Road
Louisville, KY 40206
Don Mattern

Until a change is requested, all tax statements
shall be sent to the following address:

7552 E Wethersfield Rd
Scottsdale, AZ 85260

[Space Above This Line For Recording Data]

OPEN-END DEED OF TRUST
(With Future Advance Clause)
Security Agreement, Assignment of Rents and Fixture Filing

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in certain Sections of this document. Certain rules regarding the usage of words used in this document are also provided in Section 13.

(A) "Security Instrument" means this document, which is dated September 21, 2016, together with all Riders to this document.

(B) "Borrower" is Hunter Hill Properties, LLC, an Oregon limited liability company and Stukel Mountain Properties, LLC, an Oregon limited liability company. Borrower is the trustor under this Security Instrument.

(C) "Lender" is Treynor Bancshares, Inc. . Lender is a state bank organized and existing under the laws of Iowa. Lender's address is 15 East Main Street PO Box A, Treynor, IA 51575. Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is AmeriTitle .

(E) "Note" means the open ended promissory note signed by Borrower and dated September 21, 2016. The total principal amount of the Loan secured by this Security Instrument at any one time shall not exceed Six Hundred Twenty Four Thousand Five Hundred and 00/100 Dollars (U.S. \$624,500.00). This limitation of amount does not include interest and other charges validly made pursuant to this Security Instrument and does not apply to advances (or interest accrued on such advances) made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants

contained in this Security Instrument. Future advances are contemplated and, along with other future obligations, are secured by this Security Instrument even though all or part may not yet be advanced. This Note reflects a revolving line of credit. Although the Loan balance may be reduced to a zero balance, this Security Instrument will remain in effect until released. Borrower has promised to pay this debt according to the terms of the Note and to pay the debt in full not later than January 1, 2047.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" mean all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | |
|---|--|
| <input type="checkbox"/> Irrigation Equipment Rider | <input type="checkbox"/> Water Rights Rider |
| <input type="checkbox"/> Financial Information and Covenants Rider | <input type="checkbox"/> Permitted Prior Encumbrance Rider |
| <input type="checkbox"/> Mortgage Insurance Rider | <input type="checkbox"/> Adjustable Rate Rider |
| <input checked="" type="checkbox"/> Other(s): Convertible Revolving Line of Credit
Variable Rate Rider | |

(I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 4) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(L) "Periodic Payment" means the amount due for principal and interest under the Note.

(M) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

Open-End Mortgage. This Security Instrument is given to secure the payment of the initial advance, with interest as provided in the Note dated September 21, 2016, with additional advances as hereinafter specified. Upon request of the Borrowers the Lender may hereafter at any time after the Security Instrument is recorded and before the release and cancellation of this Security Instrument, make further advances to the Borrowers to the extent that the total unpaid loan indebtedness, exclusive of interest thereon, does not exceed the maximum amount of \$624,500.00 which may be outstanding; and any such further advances, with interest, shall be secured by this Security Instrument and shall be evidenced by the Note. Provided, however, that the amount of principal secured by this Security Instrument and remaining unpaid shall not at the

time of and including any such advance exceed the original principal sum secured hereby. Provided, further, that nothing herein stipulated shall limit the amounts that shall be secured hereby when advanced to protect the security or in accordance with covenants contained in this Security Instrument. The Borrowers individually covenant with the Lender to repay all such advances aforesaid, with interest, and to apply all other covenants and conditions of this Security Instrument to such future advances.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) 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 the County [Type of Recording Jurisdiction] of **Klamath** [Name of Recording Jurisdiction]:

See Exhibit "A" attached hereto and made a part hereof

which currently has the address of

Agricultural Land
Klamath County, Oregon
("Property Address"):

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if said rider is attached (hereafter "Permitted Prior Encumbrances");

TOGETHER WITH all buildings, improvements, equipment, fixtures and permanent plantings located therein or thereon or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles there from, tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the real property now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

TOGETHER WITH all water and water rights now owned or hereafter acquired by Borrower and howsoever evidenced, including but not limited to any water rights specifically described in the Water Rights Rider if said rider is attached hereto, whether such water and water rights are riparian, appropriative or otherwise and whether or not appurtenant to the real property, along with all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto;

TOGETHER WITH all personal property, including all windmills, pumps, irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the real property, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Borrower and which are located on the real property in **Klamath County, Oregon**, described above together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the real property, all of which are declared to be appurtenant to said real property, or incident to the ownership thereof, or used in connection therewith;

TOGETHER WITH all judgments, awards of damages, settlements and payments or security (i) hereafter made as a result of or in lieu of any taking of all or any part of the real property under the power of eminent domain or for any damage to the real property and/or the improvements located thereon, or any part thereof, and (ii) hereafter made for any damage to the real property and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the real property. Borrower does hereby covenant and agree that Borrower will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior

written consent of Lender;

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies covering the real property and/or the improvements located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

TOGETHER WITH all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the real property, whether now or hereafter existing or acquired;

TOGETHER WITH all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing;

TOGETHER WITH any and all of Borrower's right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving said 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 seised 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 and specifically those permitted prior encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if said rider is attached to this Security Instrument. 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, fixtures, and certain personal property.

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

1. **Payment of Principal, Interest, Prepayment Charges, Yield Maintenance Premiums and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any yield maintenance premiums, any prepayment charges and late charges due under the Note. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 12. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve

Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. **Application of Payments or Proceeds.** Unless required by Applicable Law, payments will be applied first to accrued unpaid interest, then second to principal, third to advances under this Security Instrument, and finally to late charges. Such payments shall be applied to each Periodic Payment in the order in which it became due.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

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, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; 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 can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 3.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

4. **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, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, such failure shall constitute a default under the terms of this Security Instrument and the Loan. Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 4 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an

additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

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, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. 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 the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 25 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

5. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 4 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Borrower will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Borrower will use good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

6. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan.

7. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority

over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e) perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 7, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 7. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this security instrument or other instrument providing security for the Note, to protect the Lender's interest in this security instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall become an obligation due and owing under the terms of the Note immediately upon the date advanced by Lender and is an obligation of the Borrower secured by the security instrument or other instrument providing security for the Note.

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

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground 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.

8. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing,

the Miscellaneous 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 Opposing Party (as defined in the next sentence) offers to make an award to 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 Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 16, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

9. 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 Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to 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 any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

10. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer'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 can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 15, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 17) and benefit the successors and assigns of Lender.

11. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan 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 (whether or not a prepayment

charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

12. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

13. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. 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.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

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

15. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 15, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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 given in accordance with Section 12 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.

16. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) 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, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order;

(c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and 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 Section 15.

17. **Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 12) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 25 and the notice of acceleration given to Borrower pursuant to Section 15 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 17.

18. **Hazardous Substances.** As used in this Section 18: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

19. **Additional Property Subject To The Security Instrument.** This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of Oregon (the "UCC"). In addition to the Property described in the Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling, attached floor coverings, irrigation pipes and pumps, livestock fencing and pens, windmills and related equipment and pumps, grain bins and storage bins and specifically: All water and water rights now owned or hereafter acquired by Debtor and howsoever evidenced, including but not limited to the Klamath Irrigation District, whether such water and water rights are riparian, appropriative or otherwise and whether or not

appurtenant to the real estate described on Exhibit A, attached hereto and made a part hereof, all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, embankments or fixtures relating thereto, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom.

All irrigation equipment of every kind and nature, including but not limited to center irrigation pivots, pumps, pvc pipe, sprinklers and motors, now owned or hereafter acquired by Debtor and now or hereafter located and situated on the real estate described on Exhibit A attached hereto and made a part hereof, along with all replacements, substitutions, accessions thereto and proceeds derived therefrom., all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this Security Instrument as the "Property."

20. **Fixture Filing.** This Security Instrument constitutes a "fixture filing" for the purposes of the UCC against all of the Property which is or is to become fixtures per the UCC.

21. **Use of Property; Compliance With Law.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

22. **Assignment of Leases.** Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

23. **Assignment of Rents; Appointment of Receiver; Lender In Possession.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Sections 12 and 25 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notices of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 7 of the Security Instrument.

Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

24. **Cross-Default Provision.** Borrower's default or breach under any note or agreement in which Lender has

an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

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

25. **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 Section 15 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 Section 25, 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 give notice of sale in the manner prescribed by Applicable Law to Borrower and to other persons 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.

26. **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.

27. **Substitute Trustee.** Lender may 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.

28. **Attorneys' Fees.** As used in this Security Instrument and in the Note, attorneys' fees shall include those awarded by an appellate court.

29. **Protective Advances.** This Security Instrument secures any advances Lender, at its discretion, may make under Section 7 of this Security Instrument to protect Lender's interest in the Property and rights under this Security Instrument.

30. **Other Oregon State Specific Provisions.**

(a) As used in this Security Instrument, the Note, and in the Loan Documents, "attorneys' fee" shall include attorneys' fees, if any, which shall be incurred whether or not legal action is commenced and any such fees incurred at trial, arbitration, interpleader, bankruptcy, hearing, or any judicial proceeding, and on appeal.

(b) Notwithstanding anything to the contrary in the Loan Agreement, the following provisions shall apply:

WARNING

UNLESS YOU PROVIDE US WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY OUR CONTRACT OR LOAN AGREEMENT, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPERTY COVERAGE ELSEWHERE.

YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR CONTRACT OR MORTGAGE LOAN BALANCE. IF THE COST IS ADDED TO YOUR CONTRACT OR MORTGAGE LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING CONTRACT OR MORTGAGE LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR THE DATE YOU FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

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

Hunter Hill Properties, LLC, an Oregon limited liability company

Signature [Signature] Date 9/26/16
Jeffery M. Hunter, Managing Member

Signature [Signature] Date 9/26/16
Sandra S. Hunter, Managing Member

Stukel Mountain Properties, LLC, an Oregon limited liability company

Signature [Signature] Date 9/26/16
Jeffery M. Hunter, Managing Member

Signature [Signature] Date 9/26/16
Sandra S. Hunter, Managing Member

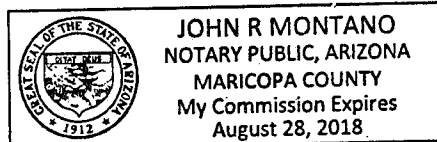
[Sign Originals Only]

STATE OF ~~OREGON~~ ARIZONA
COUNTY OF MARICOPA

The foregoing instrument was acknowledged before me this 26 day of SEPTEMBER, 2016 by Sandra S. Hunter, Managing Member and Jeffery M. Hunter, Managing Member of Hunter Hill Properties, LLC, on behalf of said limited liability company.

Notary Public

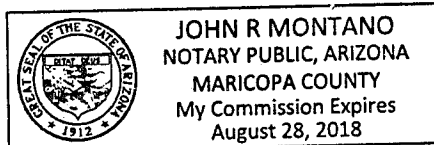
Printed Name: John R. Montano
My commission expires: AUGUST 28, 2018



STATE OF ~~OREGON~~ ARIZONA
COUNTY OF MARICOPA

The foregoing instrument was acknowledged before me this 26 day of SEPTEMBER, 2016 by Sandra S. Hunter, Managing Member and Jeffery M. Hunter, Managing Member of Stukel Mountain Properties, LLC, on behalf of said limited liability company.

John R. Montano
Notary Public
Printed Name: JOHN R. MONTANO
My commission expires: AUGUST 28, 2018



**CONVERTIBLE REVOLVING LINE OF CREDIT
VARIABLE RATE RIDER**
(Daily Wall Street LIBOR Index – Semi-Annual Pay - No Rate Cap - Convertible)

This REVOLVING LINE OF CREDIT VARIABLE RATE RIDER is made this Twenty-first day of September, 2016, and is incorporated into and shall be deemed to amend and supplement the mortgage, deed of trust or security deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Promissory Note (the "Note") to Treynor Bancshares, Inc. (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Agricultural Land, Klamath County, Oregon
[Property Address]

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST
RATE. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE VARIABLE RATE
TO ANOTHER RATE.**

Additional Covenants. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

VARIABLE RATE AND SEMI-ANNUAL PAYMENT CHANGES

The Note provides for an initial interest rate to be determined on the date of the first, initial or only advance of funds under the Note. The Note provides for changes in the variable interest rate as follows:

1. Payment of Principal and Interest.

(a) Interest shall accrue on the unpaid balance of this Note until the Loan is repaid in full or until the Borrower exercises the option to convert the variable rate to another rate as provided in subsection (f) below.

(b) The initial Variable Rate (defined below) will be established at the time of rate lock. Thereafter, the Variable Rate shall change according to the Rate Change Date at a rate equal to the sum of (i) the Current Index (defined below) and (ii) the Margin (defined below) (the "Variable Rate")

(c) A payment of interest calculated at the Variable Rate on the outstanding principal balance represented under this Note from the date of the first advance hereunder shall be due on the First Interest Payment Date. Thereafter, consecutive semi-annual installments of interest, each in the amount required to pay the unpaid interest accruing through the applicable period shall be due on each January 1 and July 1 at the Variable Rate until the Maturity Date (as defined below) or the Conversion Date (as defined below) as the case may be. Any remaining indebtedness, if not sooner paid, shall be due and payable on the Maturity Date (as defined below).

MULTISTATE ADJUSTABLE RATE RIDER

(d) If Lender at any time determines, in its sole but reasonable discretion, that it has miscalculated the amount of any interest payment (whether because of a miscalculation of the Variable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the interest payment (and the corrected Variable Rate, if applicable) and (i) if the corrected amount of the installment payment represents an increase, then Borrower shall, within 30 calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated under this Note to pay to Lender had the amount of the installment payment not been miscalculated, or (ii) if the corrected amount of the installment payment represents a decrease thereof and Borrower is not otherwise in breach or default under any of the terms and provisions of this Note, the security instrument or any other Loan Document evidencing or securing this Note, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the installment payment not been miscalculated.

Borrower may make payments of principal in any amount on any business day of Lender during such time as the principal is accruing interest at the Variable Rate.

(e) If Borrower timely exercises Borrower's option to (i) convert the interest rate on this Note to another rate and (ii) cancel the Revolving Line of Credit provisions of this Note pursuant to Section C ("Conversion Option") of this Note, the applicable interest rate under this Note, beginning on the date the conversion becomes effective and continuing until the Maturity Date, shall not be the rate determined in accordance with subsection (a) of this Section 1 above, but shall be the rate established in accordance with Section 3 "Conversion Option" below. Such rate shall be reflected in an "Agreement to Convert" substantially in the form attached as Exhibit A to this Note. If Borrower has not earlier exercised the Conversion Option, the Revolving Line of Credit Provisions will expire on **January 1, 2027** and the Conversion Option will be deemed to be exercised by selecting the loan terms indicated in subparagraph (f) below.

(f) The following definitions shall apply to this Note:

Current Index: The Index that is published in The Wall Street Journal on the applicable Rate Change Date.

Index. Beginning with the initial Rate Change Date, the variable interest rate will be based on an Index. The "Index" is the *One Month "London Interbank Offered Rate" (LIBOR) as published in the Wall Street Journal* 2 business days prior to the applicable Rate Change Date. The Index percentage will be added to the Margin and then rounded to the nearest one hundredth of one percent (.01) subject to any limits. This rounded amount will be my new variable rate until the next Rate Change Date. If the Index is no longer available, the Note Holder will choose a new Index that is based on comparable information.

Margin: 3.000%.

First Interest Payment Date: January 1, 2017.

Revolving Loan Provisions Termination Date: January 1, 2027 .

First Principal Payment Date: July 1, 2027

Maturity Date: January 1, 2047.

Rate Change Date: 10/01/2016 and on the 1st of every month thereafter

Initial Variable Rate: 3.54

INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an variable interest rate to another interest rate, as follows:

3. Interest Rate Conversion Option.

(a) **Option to Cancel Multiple Advance Provisions and Convert to Another Interest Rate.** Borrower may exercise the Conversion Option unless Borrower is in default under this Note or the security instrument if the conditions of this subsection 3(a) are met. Borrower will be conclusively deemed to have exercised the Conversion Option upon the date the Revolving Loan Provisions Termination Date. The "Conversion Option" is the Borrower's option to (i) cancel and convert the interest rate specified in this Note from a variable rate with no interest rate limits to the rate calculated under Section 3(b) below; and (ii) terminate and cancel the Revolving Loan provisions.

The conversion can only take place on a date a scheduled payment is due. The date on which the Borrower converts the variable interest rate to the converted rate is called the "Conversion Date."

The Borrower's ability to exercise the Conversion Option is conditioned upon and no conversion shall be effective without: (i) the Borrower giving the Lender written notice at least 21 days prior to the Conversion Date (at 11:00 a.m. Louisville, Kentucky time) that the Borrower wants to exercise the Conversion Option; (ii) at the Conversion Date, the Borrower must not be in default under the terms of this Note or the security instrument; (iii) payment to the Lender at or prior to the Conversion Date of all of Lender's out of pocket expense of completing such Conversion while maintaining its lien priority, and (iv) the Borrower's completion and execution of any documents the Lender requires to effect the conversion.

(b) **Calculation of Converted Rate.** Upon request from the Borrower, the Lender shall provide a list of the loan products then offered by the Federal Agricultural Mortgage Corporation ("Farmer Mac") with a maturity date similar to the maturity date of this Note subject to a four week mandatory delivery commitment, including any prepayment restrictions and yield maintenance provision applicable to such products. The description of loan products shall contain the then current rates applicable to such products, but the actual rate may be higher or lower and will be set as described in this paragraph. The Borrower may then give written notice of the Borrower's election to convert this Note to one of those products for the remaining term of this Note to the Maturity Date by selecting one of the listed products and requesting conversion of this Note to the selected product. The interest rate in effect for this Note after Conversion ("Converted Rate") will be an interest rate equal to the Farmer Mac required net yield for the selected loan product with a maturity similar to the maturity date of this Note subject to a four week mandatory delivery commitment, plus 1.000% basis points (the "Modification Note Rate"), subject to any yield maintenance provision applicable to such product. The converted rate in effect as of the Conversion Date

MULTISTATE ADJUSTABLE RATE RIDER

will be equal to the rate calculated in the immediately preceding sentence as of 11:00 a.m. Louisville, Kentucky time, on the later of (a) the date which is four weeks prior to the Conversion Date and (b) the day lender receives Borrower's election to convert this Note. If this required net yield is not available, the Lender will determine the Converted Rate by using comparable information.

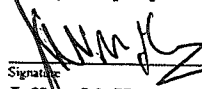
If Borrower elects to convert this Note, or is required to convert this Note by the terms hereof, but does not select a particular product from the list of available products by the date specified in the list of products, the product designated by Lender as the Default Product on the list of available products will be deemed to have been selected by Borrower.

(e) **Calculation of New Payment.** Upon the Borrower's exercise of the Conversion Option, the Lender will determine the amount and payment schedule of the installments, which will be calculated to repay the unpaid principal (net of any principal payment due on the Conversion Date) in full over the period from the Conversion Date to the Final Amortization Date at the new interest rate in substantially equal payments applied first to interest and then to principal. Any remaining indebtedness, if not sooner paid, shall be due and payable on the Maturity Date.

To the extent that the Security Instrument and this Rider are inconsistent with each other, this Rider shall govern the agreements of the parties hereto.

By Signing Below, Borrower accepts and agrees to the terms and covenants contained in this Variable Rate Rider.

Hunter Hill Properties, LLC, an Oregon limited liability company

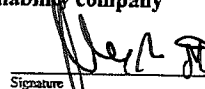
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Signature Date

Jeffery M. Hunter, Managing Member

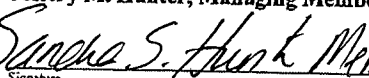
 9/26/16
Signature Date

Sandra S. Hunter, Managing Member

Stukel Mountain Properties, LLC, an Oregon limited liability company

 9/26/16
Signature Date

Jeffery M. Hunter, Managing Member

 9/26/16
Signature Date

Sandra S. Hunter, Managing Member

[Sign Originals Only]

MULTISTATE ADJUSTABLE RATE RIDER

EXHIBIT "A"

That portion of the following described property lying Southwesterly of the Burlington Northern Railroad right of way.

PARCEL 1:

The following described property in Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon:

Section 21: Government Lot 4

Section 27: Government Lots 5, 6, 7, 8 and 9; N1/2 NW1/4; SE1/4 NW1/4;

SAVING AND EXCEPTING THEREFROM a parcel of land situated in the SE1/4 SE1/4, in Lot 5, and in Lot 6 all being in Section 27, Township 40 South, Range 10 East of the Willamette Meridian, and being more particularly described as follows:

Beginning at a point where the South line of said Section 27 intersects the Westerly right of way line of the Burlington Northern Railroad, from which the Southeast corner of said Section 27 bears South 89° 38' 24" East, 1097.43 feet; thence North 28° 45' 24" West, along said right of way line, 1029.75 feet; thence South 61° 14' 36" West 50.00 feet; thence North 28° 45' 24" West, 655.60 feet; thence along the arc of a 5629.65 foot radius curve to the left (delta equals 01° 10' 05"), 114.77 feet to the South line of a drainage easement; thence South 57° 42' West along the South line of said drainage easement, 275.64 feet, more or less, to a point on the mean high water line of the left bank of Lost River; thence Southeast along said mean high water line to a point on the South line of said Section 27; thence South 89° 38' 24" East, along said South line 751.73 feet, more or less, to the point of beginning.

Section 28: Government Lot 4

EXCEPTING FROM the above-described lands, Right of Way for Great Northern Railroad as set out in Transcript of Decree dated June 6, 1931, recorded November 2, 1931 in Volume 96, Page 246 Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that portion lying within public roads and highways.

PARCEL 2:

Lot 5, Section 21 in Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPT the USBR "G" Canal.

PARCEL 3:

An easement for ingress and egress recorded December 8, 2008 in 2008-016180, Records of Klamath County, Oregon and re-recorded December 10, 2008 in 2008-016363, records of Klamath County, Oregon. Being more particularly described as follows:

A strip of land 60.00 feet in width situated in the SE1/4 of Section 21, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being 30.00 feet on each side of the following described centerline:

Beginning at a point on the northeasterly right of way line of the Burlington Northern Santa Fe Railroad, from which the northeast corner of said Section 21 bears North 24°06'06" East 3809.86 feet; thence 99.21 feet along the arc of a curve to the left having a radius of 413.45 feet, the long chord of which bears North 27°31'28" East 98.97 feet; thence North 20°39'00" East 415.98 feet; thence North 22°23'25" East 115.15 feet, more or less, to the southwesterly line of Hill road; the sidelines of said strip to be extended or shortened to be continuous and to terminate on the beginning and ending lines.

PARCEL 4:

An easement for ingress and egress recorded December 8, 2008 in 2008-016182, Records of Klamath County, Oregon and re-recorded December 10, 2008 in 2008-016364, records of Klamath County, Oregon. Being more particularly described as follows:

A strip of land 60.00 feet in width situated in the SE1/4 of Section 21, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being 30.00 feet on each side of the following described centerline:

Beginning at a point on the southwesterly right of way line of the Burlington Northern Santa Fe Railroad, from which the northeast corner of said section 21 bears North 46°59'01" East 100.00 feet and North 24°09'06" East 3809.86 feet; thence South 46°59'01" West 30.00 feet; thence parallel to and 30.00 feet from said southwesterly right of way line South 43°00'59" East 500 feet, more or less, to the northeasterly extension of the centerline of an existing bridge

across the USBR "G" Canal; thence in a southwesterly direction along said bridge centerline and the northeasterly and southwesterly extensions thereof 98 feet, more or less, to the north line of Government Lot 4 and Government Lot 5; the sidelines of said strip to be extended or shortened to be continuous and to terminate on the beginning and ending lines.

PARCEL 5:

A tract of land situate in Section 33, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Beginning at an iron pipe in the fence line along the East 1/16th line of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, from which the Northwest corner of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, bears North 75° 10' 43" West 4119.43 feet distant; thence along a fence line North 41° 10' West 506.87 feet; thence South 89° 14' 20" West 1796.60 feet; thence South 10° 50' West 342.55 feet; thence South 0° 47' East 290.60 feet; thence South 89° 13' West 1292.76 feet; thence South 18° 59' East 640.20 feet; thence South 40° 11' East 387.80 feet; thence South 27° 58' 20" East 704.35 feet; thence South 82° 57' 20" East 831.95 feet; thence South 32° 08' 20" East 633.45 feet; thence South 70° 52' 40" East 384.80 feet; thence South 20° 04' 40" East 363.00 feet, more or less, to the South 1/16th line of said Section 33; thence along said South 1/16th line South 89° 43' 40" East 1052.00 feet to the fence line along the East 1/16th line of said Section 33; thence North 0° 10' West along said fence line 2918.68 feet, more or less, to the point of beginning .

TOGETHER WITH a non-exclusive easement for roadway purposes over the South 60 feet of the SE1/4NE1/4 in Section 33, Township 39 South, Range 9 East of the Willamette Meridian.