

RECEIVED *DE*

AUG 06 2018

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**Notice of Security Interest in a Water Right**and a request to be notified of a change in ownership or any proposed
or final action to amend, transfer, or otherwise modify the water right(s)

Attach pages with additional information. Incomplete forms will be returned.

1. Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
37-10431			
37-10432			
37-10434			

2. The following **REQUIRED** information must be submitted with this form:A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**B) A **FEE** of **\$25.00 per** water right or adjudication claim.

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

Capital Farm Credit

3000 Briarcrest Drive, Suite 601

Bryan, TX 77802

christine.owens@capitalfarmcredit.com

Phone 979-822-3018

Email

SUPPORT DATA
IN FILE # 37-10431

4. Name of Water Right Owner/Claimant(s)

Cover Farms, a Texas general partnership

5. Expiration Date of Notification Period

March 1, 2040

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

7. Signature(s) of Security Interest Holder(s)

Title, if applicable

*VP/ Branch Manager***For Office Use Only**Received by *AJ*

Date

8-6-18

Receipt No.

C054179

Fee

75

Processed by AJ

Date

WR

4

Date

8-9-18

LINCOLN COUNTY
Recorded for:
TITLEONE - TWIN FALLS
03:25:42 PM 07-24-2018
0000200132
No. Pages 18 Fee: \$45.00
BRENDA FARNWORTH
County Clerk
Deputy: CS
Electronically Recorded by Simplifile

Recording Requested By and
When Recorded Return to:

Hawley Troxell Ennis & Hawley, LLP
c/o Sheila R. Schwager
877 Main Street, Suite 1000
Boise, Idaho 83701

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**MORTGAGE,
FIXTURE FILING, AND ASSIGNMENT OF LEASES AND RENTS**

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH ARTICLE 9
OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE STATE OF IDAHO.

THIS MORTGAGE, FIXTURE FILING, AND ASSIGNMENT OF LEASES AND RENTS (the "Mortgage") is made to be effective as of July 23, 2018, by and among Cover Farms, a Texas general partnership, a Partnership composed of; Kathryn S. Cover a/k/a Kathryn Cover as Trustee of the John W. Cover Estate Trust created pursuant to that certain will and testament of John W. Cover dated July 21, 1993; Elizabeth K. Cover; John W. Cover, Jr.; Kathryn S. Cover; Andrew B. Cover; Susan Clements and Travis Clements; each as partner, (collectively "Mortgagor"); whose address is 1101 North 1350 East and bare ground, Richfield, Idaho 83349; and Capital Farm Credit, FLCA (the "Mortgagee"), whose address is 3000 Briarcrest Dr., Suite 601, Bryan, TX 77802.

1. **Granting Clause.** For good and valuable consideration, including the indebtedness described below, the Mortgagor hereby irrevocably grants, bargains, mortgages, sells and conveys to Mortgagee and its successors and assigns, with right of entry and possession as provided herein, all of Mortgagor's estate, right, title, interest, claim and demand, now owned or hereafter acquired, in and to that certain real property located in Lincoln County, State of Idaho, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"); together with:

1.1 After-Acquired Title. Any after-acquired title of Mortgagor in and to the Property and in and to land lying in the streets and roads adjoining the Property;

1.2 Access, Etc. All access rights and easements, now or hereafter belonging or in any way appertaining to the Property;

1.3 Improvements. All buildings and other improvements and structures now or hereafter erected on, attached to, located on, or used or intended to be used in connection with the Property;

1.4 Leases. All existing and future leases, subleases, sub-tenancies, licenses, agreements and concessions relating to the use, occupancy or enjoyment of all or any part of the Property, together with any and all guaranties and other agreements relating to or made in connection with any of the foregoing;

1.5 Rents. All rents, issues, income, revenues, royalties, profits, proceeds, earnings and other benefits now or hereafter payable with respect to or otherwise derived from the ownership, use, management, operation, leasing or occupancy of the Property, including, without limitation, cash or security deposited under any of the leases to secure the performance by the lessees of their obligations thereunder;

1.6 Appurtenances. All tenements, hereditaments, appurtenances, privileges, choices in action, options to purchase all or any part of the Property or any interest therein (and any greater estate in the Property

now owned or hereafter acquired by Mortgagor pursuant thereto), and other rights and interests now or in the future benefiting or otherwise relating to the Property, including, without limitation, easements, rights-of-way, sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property, development rights, oil, gas or other mineral rights and all royalty, leasehold and other rights of Mortgagor pertaining thereto;

1.7 Water. Notwithstanding any other provision, reservation or exceptions contained herein or on any exhibit hereto, the lien created hereby shall cover all Mortgagor's water rights, including but not limited to, rights to surface water, ground water, underground water, percolating waters, tributaries and non-tributaries, rights to any water from lakes, streams or other bodies of water, adjudicated, licensed, or permitted water and water rights, appropriated or un-appropriated water and water rights, decreed or un-decreed water and water rights, riparian and other water rights which are now owned or which are hereafter acquired by Mortgagor whether or not expressly excepted from the description of the Property, and all stock certificates or shares in any canal or ditch company serving the Property, and all deposits made with or others security given to utility companies by Mortgagor with respect to the Property, including but not limited to any and all rights and interest in Big Wood Canal Company stock Certificate Nos. 13062 (160 shares), 13063 (130 shares), 13064 (120 shares), 13067 (120 shares), 13094 (222 shares), 13101 (126 shares), 13121 (20 shares), 13365 (96.64 shares) and 13421 (56 shares) and Idaho Water Right Nos. 37-10431, 37-10432 and 37-10434, and in any other water rights, water right applications and water right permits that are or become appurtenant to or associated with the Property.

1.8 Timber. All timber with respect to the Property, including, but not limited to, standing timber, timber to be cut, and cut timber;

1.9 Crops. Any and all present and future rights, title and interest in and to all crops growing or to be planted, cultivated, grown, raised and/or harvested, or any interest thereon, together with any and all agricultural and farm products produced or derived therefrom, of every nature and kind whatsoever, including aquatic goods produced in aqua-cultural operations;

1.10 Mineral and Gas Rights. All existing and future rights in royalties, leasehold, surface, subsurface and/or mineral rights now owned or after-acquired, oil and gas rights, and other mineral rights in or related to the Property;

1.11 Additional Property and Rights. All other property or rights of any kind or nature further set forth herein;

1.12 Proceeds. Any and all interest and estate that Mortgagor or Mortgagor's assigns may hereafter acquire in any of the above Property and all the rents, issues, proceeds, products, and profits of such Property; all of which shall be deemed to be and remain a part of the Property and not severable wholly or in any part without material injury to the freehold and shall be included in any references to the Property hereunder.

2. Security Agreement. To the extent any of the Property described above in Article 1 is deemed to be personal property, including but not limited to the water and water rights identified above in Article 1.7, as well as all license agreements with the Big Wood Canal Company, including without limitation those recorded in Lincoln County, Idaho, as Instrument Nos. 183748, 185520, and 190759, and all wells, pumps, pipes, pivots, and irrigation equipment of any kind, the Mortgagor hereby grants and assigns to Mortgagee a security interest, to secure payment and performance of all Secured Obligations (defined below).

3. Fixture Filing. It is intended that the recording of this Mortgage shall be effective as a "fixture filing" under Article 9 of the UCC with respect to any and all fixtures included within the Collateral and all goods or personal property that are now or may hereafter become affixed to the Property, and the Mortgage is to be filed and indexed in the real estate records not only as a mortgage, but also a fixture filing.

4. Obligations Secured. This Mortgage is given for the purpose of and does secure the following obligations (collectively, the "Secured Obligations"):

3.1 Obligations Identified in the Loan and Loan Documents. The obligations identified in that certain Promissory Note dated July 23, 2017 in the principal amount of Three Million Two Hundred One Thousand Dollars (\$3,201,000.00), and all amendments thereof, to obtain a loan from Mortgagee its affiliates, successors or

assigns, identified as Loan No. 958419 ("Loan"), and the obligations identified in the loan documents executed in furtherance of the Loan ("Loan Documents").

4.2 **Additional Obligations.** All present and future debts, regardless of whether this Agreement is referenced, such debts are secured by other collateral, or whether the future debt is unrelated to or of a different type than the current debt, and including those debts owed by Mortgagor to any of Mortgagee's affiliated or subsidiary institutions, including but not limited to Capital Farm Credit, ACA and/or to Capital Farm Credit, PCA, or their respective successors or assigns. Any lien created hereby for an Affiliate or subsidiary shall be inferior and secondary to the lien created in favor of Mortgagee. Mortgagee and/or its Affiliates or subsidiaries may make future advances to Mortgagor and/or may transfer the debt instruments from one Affiliate or subsidiary to another and this Mortgage shall further secure the payment to Mortgagee or to Affiliates or subsidiaries of all such future advances. Nothing in this Mortgage is a commitment to make future loans or advances

Mortgagor acknowledges that they will and have received a material benefit from the obligations set forth in the Loan and the Loan Documents and that Mortgagee would not make any advancements under the Loan or other accommodations as set forth in the Loan or Loan Documents, without the security of this Mortgage.

Mortgagor further covenants and agrees as follows:

5. **Assignment of Rents.** Mortgagor hereby assigns and transfers to Mortgagee all its right, title, and interest of Mortgagor in and under all leases now or hereafter affecting the Property (the "Leases"). This assignment is absolute, unconditional, and not in the nature of a security interest, it being the intention of Mortgagor to establish a complete and present transfer of all interests assigned hereunder with the right, but without the obligation, to collect all rents and profits of the Property under the Leases. So long as Mortgagor is not in default hereunder, Mortgagor may collect assigned rents and profits as the same fall due under the Leases; but, upon the occurrence of any Event of Default hereunder, all rights of Mortgagor to collect or receive rents and profits shall terminate until Mortgagee is paid in full. Upon the occurrence of an Event of Default hereunder and the exercise by Mortgagee of its rights herein granted, Mortgagor agrees that payment made by tenants or occupants to Mortgagee shall be considered as though made to Mortgagor and in discharge of the tenants' obligations to Mortgagor and such payments shall be credited as payments of Mortgagor on amounts due Mortgagee under the Secured Obligations. Nothing herein contained shall be construed as obligating Mortgagee to perform any of Mortgagor's covenants under any lease or rental arrangement.

6. **Assignment of Permits, Contracts, and Plans.** In addition to and without in any way derogating from the security interest granted Mortgagee in the Collateral, Mortgagor hereby assigns, grants, transfers, and sets over unto Mortgagee, Mortgagor's right, title, and interest in, to, and under any and all permits, approvals, commitments, designs, plans, specifications, contracts, including, but not limited to, logging, timber, construction, architectural and engineering contracts, subcontracts, surveys, appraisals, listing agreements, warranties, and any and all other contracts for work product relating to farming, logging, development or construction on the Property or any part thereof, together with all amendments, modifications, supplements, revisions, and addenda thereto heretofore or hereafter prepared or executed (collectively, the "Permits, Contracts, and Plans").

6.1 **Security for Loans.** This assignment is made as additional security for the payment and performance of all of the obligations of Mortgagor.

6.2 **Liabilities.** Mortgagee does not assume any obligations or duties of Mortgagor under the Permits, Contracts, and Plans unless and until Mortgagee shall have given Mortgagor written notice of the same. If Mortgagee does not directly undertake to complete development or construction of the Property, Mortgagee may assign such Permits, Contracts, and Plans to, and such obligations and duties of Mortgagor in connection with the Permits, Contracts, and Plans shall be assumed by, the person or entity designated by the Mortgagee for the purpose of completing such development or construction, and Mortgagee shall have no liability whatsoever for the performance of any such obligations and duties.

7. **Representations and Warranties.** To protect the security of this Mortgage and for the benefit of Mortgagee, Mortgagor does, for Mortgagor and for Mortgagor's successors and assigns, represents, covenant, warrant, and agree as follows:

7.1 Warranty of Title. Excepting matters accepted and approved by Mortgagee as exceptions to title in final title policies covering the Property, that Mortgagor, as applicable, has good and marketable title to an indefeasible fee simple estate in all real property described herein subject only to such liens and encumbrances, if any, specifically described herein or otherwise accepted or approved by Mortgagee in writing; that Mortgagor, as applicable owns all of the Property described herein free from liens, security interests, and encumbrances of any kind (other than those approved in writing by Mortgagee); that Mortgagor is vested with the right to convey all real property described herein to Mortgagee; and that no consent of other parties is required as a condition thereto. Mortgagor does hereby and will forever warrant and defend title to the Property herein conveyed and defend the validity and priority of the lien of this Mortgage against the claims and demands of all persons and parties;

7.2 Commercial Instrument. That the proceeds of the Loan and obligations set forth in the Loan Documents, secured hereby, have been and will be used for business or commercial purposes and not for personal or family purposes; and

7.3 Legal Entity, Business, Etc. That while any sums remain outstanding hereunder, Mortgagor will: (a) maintain its existence in the form under which it currently operates, and preserve in full force and effect all its rights and franchises having a material effect upon its business or the ownership of its properties; and (b) give prompt notice to Mortgagee of any material change in Mortgagor's business or financial position, any change in any location where Mortgagor's accounts and/or assets are to be maintained, the location of any new places of business of Mortgagor and the changing or closing of any of its existing places of business, and any change in Mortgagor's name.

8. Maintenance and Inspection of Improvements. Mortgagor shall not allow any material changes in the zoning of the Property or its zoning without Mortgagee's consent. Mortgagor shall not commit or suffer any waste and shall remedy any waste within thirty (30) days following Mortgagee's notice thereof; shall promptly comply with all the requirements of federal, state, and municipal authorities and all other laws, ordinances, regulations, covenants, conditions, and restrictions respecting the Property or the use thereof and shall remedy any failure to so comply within thirty (30) days of notice of the failure to comply; and shall pay all fees or charges of any kind in connection therewith on the date such fees or charges are due. Mortgagee and its employees and agents shall be entitled from time to time to enter on the Property (including the interior of any structures), at reasonable times and after reasonable notice, to inspect the Property, ascertain compliance with the "Substances" warranties and covenants, including the right to take soil samples and conduct other reasonable tests and investigations, conduct appraisals to determine the value of the Property, or to perform any other act authorized hereunder or in the security agreement. Costs incurred in obtaining such inspections, appraisals, tests, and other activities described above shall be part of the obligations secured hereby, to the extent Mortgagor is obligated to pay them under the terms of the agreements signed in favor of Mortgagee. Mortgagor will permit access to the Property and will fully cooperate with Mortgagee in this regard.

9. Insurance.

9.1 Obligation to Insure. Mortgagor shall at all times provide, maintain and keep in force, at its own cost and expense, the insurance policies required in the agreements signed by Mortgagor in favor of Mortgagee, and such additional insurance as Mortgagee may require from time to time upon thirty (30) days' notice against the same or other hazards.

9.2 Exculpation; General Provisions Related to All Policies. Mortgagee shall not be obligated to obtain insurance, or be responsible for the collection of any insurance monies or for any insolvency of any insurer or insurance underwriter. All policies of insurance required by this Mortgage (a) shall contain an endorsement or an agreement of the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act of negligence of Mortgagor or Mortgagee that might otherwise result in forfeiture of said insurance and further waiving all rights of setoff, subrogation, counterclaim or deductions against Mortgagee; (b) shall be issued in amounts no less than the amounts required by Mortgagee, is issued by companies acceptable to Mortgagee; and (c) shall contain a provision that such policies will not be canceled or amended, or be subject to any reduction in the scope or limits of coverage, without at least thirty (30) days' prior written notice to Mortgagee.

9.3 Delivery of Insurance Policies, Payment of Premiums. Mortgagor shall furnish Mortgagee with a copy of each policy of insurance required hereunder and a certificate of each policy of insurance required

hereunder evidencing the required coverage, each such certificate setting forth the coverage, the limits of liability, the name of the carrier, the policy number and the expiration date. At least thirty (30) days prior to the expiration of each such policy, Mortgagor shall furnish Mortgagee with an original of all policies required hereunder marked "premium paid" and with evidence, satisfactory to Mortgagee, of the reissuance of such policy continuing insurance in force as required by this Mortgage. In the event any such insurance policy and/or evidence of payment of premium are not so delivered to Mortgagee as required hereunder, Mortgagor, by executing this Mortgage, specifically requests Mortgagee to obtain and pay for, and Mortgagee may obtain and pay for, such insurance for such risks covering Mortgagee's interest in the Property (without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereunder), and Mortgagor shall pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums together with interest thereon at the Default Rate (defined in the Loan) from the date of payment by Mortgagee shall be secured by this Mortgage.

10. Liens and Taxes.

10.1 Payment. To (a) pay at least ten (10) days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes, assessments and charges of any kind or nature whatsoever, which are imposed upon, assessed against or affect the Property or any part thereof, (b) pay when due all encumbrances, charges or liens of any kind or nature whatsoever, which create or may create a lien upon the Property or any part thereof, or any interest therein, whether prior and superior or subject and subordinate to the lien hereof, and (c) deliver, upon Mortgagee's request, to Mortgagee, within ten (10) days after the date upon which any such tax, assessment, encumbrance, charge or lien is due and payable by Mortgagor, official receipts of the appropriate taxing authority (or other proof satisfactory to Mortgagee) evidencing the payment thereof.

10.2 Creation of Liens. Except for liens issued in favor of Capital Farm Credit, FLCA, Mortgagor will not, without Mortgagee's consent, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for normal ad valorem real property taxes that are not yet due and payable), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, prior to, on a parity with or subordinate to the lien of this Mortgage. If any of the foregoing becomes attached to the Property without such consent, Mortgagor will promptly cause the same to be discharged and released.

11. Books and Records. Mortgagor shall keep and maintain, or cause to be kept and maintained, proper and accurate books, records and accounts of the Property and of its own financial affairs to permit the preparation of financial statements therefrom. Mortgagee, through its agents, representative or employees, shall have the right, from time to time, at any time and at all times, during normal business hours, to examine, copy and audit such books, records and accounts. If the Property is at any time used for commercial or residential income purposes, Mortgagor shall deliver to Mortgagee, within thirty (30) days following Mortgagee's request, certified financial statements and profit-and-loss statements for Mortgagor and the Property prepared in accordance with generally accepted accounting principles.

12. Defense of Title. Mortgagor shall appear in and defend any suit, action, or proceeding that might affect the value of this Mortgage, the Mortgage itself, or the rights and powers of Mortgagee, including, without limitation, any condemnation or public improvement proceeding, and Mortgagee shall have the right to elect also to appear and defend any such action or proceeding, be made a party to such by reason of this Mortgage, or elect to prosecute such action as appears necessary to preserve said value, Mortgagor will, at all times, indemnify from and, on demand, reimburse Mortgagee for any and all loss, damage, expense, or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action, or proceeding.

13. No Changes. Mortgagor agrees that so long as any amount or obligation is outstanding by Mortgagor to Mortgagee, and except if and to the extent otherwise expressly provided in the agreements entered into with Mortgagee, Mortgagor will not, without the written consent of Mortgagee:

13.1 Change in Use. Change the use of the Property or allow any material permits or licenses required for such use of the Property to expire, lapse or be suspended or terminated.

13.2 Consent to Assessment District. Cause or otherwise consent to the formation of any community facilities district that includes the Property or any part of the Property, any assessment district that includes the Property or any part of the Property, or any other comparable or similar district, area or territory that includes the Property or any part of the Property pursuant to any restriction, or cause or otherwise consent to the levying of assessments by any such assessment district against the Property or any part thereof, the levying of special taxes by any community facilities district against the Property or any part thereof, or the levying of assessments, taxes or other imposition by any such district, area or territory. Mortgagor shall immediately give notice to Mortgagee of any notification or advice that Mortgagor may receive from any municipality or other third party of any intent or proposal to include all or any part of the Property in a community facilities district. Mortgagee shall have the right to file a written objection to the inclusion of all or any part of the Property in a community facilities district, either in its own name or in the name of Mortgagor, and to appear at, and participate in, any hearing with respect to the formation of any such district.

14. Notices Required. Mortgagor shall comply with and promptly, but not later than ten (10) days following receipt thereof, furnish to Mortgagee true and complete copies of any notices pertaining to the Property by any governmental authority of the United States, or the State, County, or City, or any other political subdivision in which the Property is located or which exercised jurisdiction over Mortgagor or the Property. Mortgagor shall promptly notify Mortgagee of any material fire or other material casualty or any notice of taking or eminent domain proceeding affecting the Property. Mortgagor shall promptly, but not later than ten (10) days following receipt thereof, notify Mortgagee of any other action, proceeding or investigation concerning the Property, or any party thereof, of which it acquires notice.

15. Mortgagee Authorized to Act. Should Mortgagor fail to make any payment or to do any act as herein provided, Mortgagee may, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereunder: (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; (b) commence, appear in, and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee; (c) pay, purchase, contest, or compromise any encumbrance, charge, or lien that in the sole judgment of Mortgagee either appears to be prior or superior to this Mortgage; and, (d) in exercising any such power, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and reasonable attorneys' fees, which cost will immediately be due from Mortgagor and will be one of the Secured Obligations under this Mortgage.

16. Condemnation Proceeds. In the event that all or any portion of the Property is taken under the right of eminent domain or condemnation, Mortgagee shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking be paid to Mortgagee and applied by it first to any reasonable costs, expenses, and attorneys' fees, both in trial and appellate courts, necessarily paid or incurred by Mortgagee in such proceedings, and the balance applied upon the indebtedness secured hereby. Mortgagor further agrees, at its own expense, to take such actions and execute such instruments as shall be necessary to obtain such compensation.

17. Non-Waiver of Defaults. The entering upon and taking possession of the Property, the collection of rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation or awards for any kind of taking or damage of the Property, and the application or release thereof as provided in this Mortgage shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice of default. Further, by accepting payment of any sums secured hereby after their due date, Mortgagee does not waive its right either to require prompt payment when due of all other sums so secured or to declare the failure to pay such sums an Event of Default.

18. Events of Default. Notwithstanding any cure periods described below, Mortgagor shall immediately notify Mortgagee in writing when Mortgagor obtains knowledge of the occurrence of any default specified below (individually, an "Event of Default"). Regardless of whether Mortgagor has given the required notice, the occurrence of one or more of the following shall constitute an Event of Default, subject to any applicable cure periods set forth in the Note or Credit Documents:

18.1 Payment Default. Mortgagor's failure to pay any payment under the Loan, Loan Documents, or any fees, charges, costs or expenses under this Mortgage or any other agreement issued in favor of Mortgagee when due; or any taxes, insurance premiums, assessments, or rents related to the Property;

18.2 Default Under Agreements. Failure by Mortgagor to perform, when due, any of the terms, covenants and conditions set forth in the Loan, Loan Documents, or any other agreements entered into with Mortgagee;

18.3 Default on Obligations Secured by Property. Any failure to perform any obligation that is secured by any lien against or any interest in the Property, rights, or interests encumbered hereby or any portion thereof, regardless of whether such lien or interest is prior or subordinate to the Mortgage, subject to any applicable cure provisions;

18.4 Default on Other Obligations. The Mortgagor fails to comply with or to perform any other term, obligation, covenant or condition under the terms of any loan agreement, promissory note, conditional sale contract, lease or other agreement, document or instrument evidencing, governing, or securing any indebtedness owing by the Mortgagor, or any indebtedness owing by Mortgagor, to any third party and the period of grace, if any, to cure said default under such third party agreement shall have passed;

18.5 Judgments. Any judgment shall be obtained against the Mortgagor;

18.6 Inability to Perform; Bankruptcy; Insolvency; Change in Ownership. (a) Mortgagor shall die or cease to exist; (b) any bankruptcy, insolvency or receivership proceedings, or an assignment for the benefit of creditors, shall be commenced under any federal or state law by or against Mortgagor; (c) Mortgagor shall become the subject of any out of court settlement with its creditors; or (d) Mortgagor is unable or admits in writing its inability to pay its debts as they mature;

18.7 Default Under Leases. Any defaults by Mortgagor under any material lease affecting the Property, any termination of such lease, or any modification, surrender, or cancellation of such lease without Mortgagee's prior written consent, which shall not be unreasonably withheld;

18.8 Adverse Change; Insecurity. Any material adverse change in the Property, including, without limitation, actual or threatened removal, demolition, or impairment of the Property, or any improvements thereon, or in the financial condition of Mortgagor, or Mortgagee in good faith deems itself insecure; and

18.9 Impact on Use of Property. Any impending or proposed: (a) condemnation, (b) rezone, or (c) modification or enactment of any ordinances or regulations that could materially affect any proposed development of the Property or the use or value thereof.

The waiver by Mortgagee of any Event of Default shall not constitute a waiver of any other or subsequent Event of Default.

19. Acceleration Upon Default; Additional Remedies. Upon any Event of Default, Mortgagee may, at its option and without notice to or demand upon Mortgagor, exercise any one or more of the following actions: declare all amounts secured by this Mortgage immediately due and payable; bring a court action to enforce the provisions of this Mortgage or any of the other agreements; judicially foreclose this Mortgage in any manner permitted by applicable law; exercise Mortgagee's rights with respect to any leases and rents; and/or exercise any or all of the other rights and remedies under this Mortgage and the other agreements, or available under law or in equity. To the extent permitted by law, every right and remedy provided in this Mortgage or afforded by law or equity or any other agreement between Mortgagee and Mortgagor may be exercised concurrently, independently, or successively, in any order whatsoever. Mortgagee may exercise any of its rights and remedies at its option without regard to the adequacy of its security.

20. Crops. Mortgagee shall have full power to sell, lease, transfer, or otherwise deal with the Crops or proceeds thereof in Mortgagee's own name or that of Mortgagor. Mortgagee may enter upon the premises where crops are located and, using any and all of Mortgagor's equipment, machinery, tools, farming implements, and supplies, and improvements located on the Property: (a) farm, cultivate, irrigate, fertilize, fumigate, prune, and perform any other act or acts appropriate or necessary to grow, care for, maintain, preserve and protect the crops

(using any water located in, on or adjacent to the premises); (b) harvest, pick, clean, and remove the crops from the premises; and (c) appraise, store, prepare for public or private sale, exhibit, market and sell the crops and any products of the crops; provided that Mortgagor hereby agrees that Mortgagee shall not be responsible or liable for returning the Property to their condition immediately preceding the use of the Property as provided herein or for doing such acts as may be necessary to permit future crops to be maintained on the Property.

21. Judicial Foreclosure. In the Event of Default, Mortgagee may commence an action to judicially foreclose this Mortgage in the manner provided by law for the foreclosure of mortgages on real property in the State of Idaho. Mortgagee shall be entitled to recover in such proceeding all costs and expenses incident thereto (including costs on appeal), including attorneys' fees (and attorneys' fees on appeal). The Property and/or any personal property securing the Secured Obligations ("Collateral") may be sold at one or more sales, as a whole or in such parcels or lots, with such elements of real and/or personal property, and in such manner or order as the Mortgagee, in its sole discretion, may elect. Mortgagee will be entitled to possession of the Property and Collateral during any redemption period allowed under the laws of the State of Idaho. However, if Mortgagor remains in possession of the Property and/or Collateral after it has been sold, Mortgagor will become a tenant at will of the purchaser of the Property and/or Collateral and will pay a reasonable rental for the use thereof while the same is in Mortgagor's possession. During any redemption period, the purchaser may make such repairs and alterations to the Property and/or Collateral as may be reasonably necessary for its proper operation, care, preservation or protection; pay any liens which become due; insure the Property and Collateral against loss by casualty and itself against liability arising from its ownership and use of the Property and/or Collateral; pay liens not extinguished by the foreclosure; and pay any other amounts relating to the Property and/or Collateral as they become due. Any sums so paid, together with interest thereon from the date of the expenditure at the rate allowed under Idaho law during the period of redemption, will be included in the amount required to be paid to redeem the Property and/or Collateral.

22. Appointment of Receiver. Upon the occurrence of an Event of Default and in accordance with applicable law, Mortgagee personally or by its agents or attorneys, or through a duly appointed receiver, may enter into and upon all or any part of the Property, and each and every part thereof, and may exclude the Mortgagor and their agents wholly therefrom; and having and holding the same may possess, use, operate, manage, improve and control the Property and conduct the business thereof; and the Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits, income, accounts, accounts receivable, contract rights and general intangibles included in the Property or generated by operations of the Property and every part thereof whether or not Mortgagee or a receiver is then in possession of the Property. Mortgagee shall be entitled to the appointment of a receiver as a matter of right, whether or not the apparent value of the Property exceeds the indebtedness secured hereby, and any receiver appointed may serve without bond. Employment by Mortgagee shall not disqualify a person from serving as a receiver. The exercise of any right under this section shall not be deemed an election of remedies nor a "pending action" so as to preclude the exercise of any other right or remedy.

23. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any obligations secured hereby and to exercise all rights and powers under this Mortgage, under any other agreement, or under any laws now or hereafter in force, notwithstanding some or all of the said obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, pledge, lien, guaranty, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be, to the extent permitted by applicable law, entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as Mortgagee in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, or given by any of other agreements issued to Mortgagee, and Mortgagee may pursue inconsistent remedies. The failure on the part of Mortgagee to promptly enforce any right hereunder shall not operate as a waiver of such right.

24. Repayment of Mortgagee's Expenditures and Advances. Mortgagor, jointly and severally, shall immediately pay, without demand by Mortgagee, all sums expended or advanced hereunder or under any of the agreements entered in favor of Mortgagee, including this Mortgage, and all costs incurred by Mortgagee in enforcing or protecting their rights or interests hereunder or under any of the other agreements (including, without limitation, attorneys' fees, accountants' fees, and any other costs or expenses whatsoever), with interest from the date of any such

expenditure or advance at the Default Rate applicable to any of the Secured Obligations, and the same shall constitute advances made under this Mortgage and repayment thereof shall be secured hereby. If Mortgagor fails to pay any such expenditures, advances, costs, or expenses, together with interest thereon, Mortgagee may, in addition to the other remedies provided hereunder to the extent permitted by applicable law, at its sole discretion: (a) commence an independent action against Mortgagor, jointly and severally, for the recovery of such sums; and/or (b) advance any undisbursed loan proceeds to pay the same. Such amounts are secured by this Mortgage.

25. Due on Sale or Encumbrance. Mortgagor acknowledges and agrees that the obligations secured by this Mortgage are personal to Mortgagor and that Mortgagor's personal responsibility, financial condition, and control of the Property were material inducements on which Mortgagee relied in making its loans, advancements, and accommodations to Mortgagor. Mortgagor agrees that except as otherwise provided herein, neither the Property nor any interest therein shall be encumbered, sold (by contract or otherwise), conveyed, leased, or otherwise transferred by Mortgagor. Any such action, which is not otherwise permitted herein, without Mortgagee's prior written consent shall be deemed to increase Mortgagee's risk, and shall be an Event of Default hereunder. If Mortgagee elects, in its sole discretion, to consent to any such action, then (i) Mortgagee may condition its consent on such terms and conditions as Mortgagee may require, such as payment of a transfer review fee and/or assumption fee, and/or an increase in the interest rate on the obligations secured hereby; and (ii) Mortgagor agrees to execute any documents as Mortgagee deems necessary to preserve or maintain its security interest in the Property. Mortgagee shall not be required to release the original obligor or any other party liable for such obligations.

26. Indemnification by Mortgagor. Mortgagor agrees to indemnify and hold Mortgagee harmless from and against any and all losses, liabilities, suits, obligations, damages, costs, and expenses, including attorneys' fees and costs, that may be imposed on, incurred or paid by, or asserted against Mortgagee by reason or account of (a) any action by Mortgagor in connection with the Property; (b) any good faith and commercially reasonable exercise of any of the rights and remedies or performance of any of the duties of Mortgagee under any of the agreements; or (c) any other liability arising in any manner in connection with the Property other than as a result of the gross negligence or willful misconduct of Mortgagee, and such obligation shall be secured by this Mortgage. If any claim, action, or proceeding is brought against Mortgagee that is the subject of the indemnity set forth in this Section, Mortgagor shall resist or defend against the same, if necessary in the name of the Mortgagee, by attorneys for Mortgagor's insurance carrier or otherwise by attorneys approved by Mortgagee.

27. Further Assurances. Mortgagor, from time to time, within fifteen (15) days after request by Mortgagee, shall execute, acknowledge, and deliver to Mortgagee such additional security instruments, in form and substance satisfactory to Mortgagee, which, in the reasonable opinion of Mortgagee, is essential to the operation of the Property covered by this Mortgage, and shall execute, acknowledge, and deliver any financing statement, renewal, affidavit, certificate, continuation statement, or other document as Mortgagee may reasonably request in order to perfect, preserve, continue, extend, or maintain Mortgagee's security interests under or the priority of this Mortgage. Mortgagor shall pay all costs in connection with the preparation, execution, recording, filing, and re-filing of any such documents.

28. Waiver. To the extent any homestead exemption or other exemption applies, Mortgagor hereby waives all rights to such homestead exemption, other exemptions, or of the marshaling of liens and assets relating to the Property.

29. Assignment. Mortgagor may not assign the Mortgage to any person at any time, except in connection with a transaction approved in writing by Mortgagee under the terms of this Mortgage. Subject to such prohibitions against Mortgagor's assignment, this Mortgage shall inure to the benefit of and bind all of the parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors, and assigns.

30. Applicable Law. This Mortgage is made with reference to and is to be construed in accordance with the laws (without regard to the choice of law rules) of the State of Idaho.

31. Miscellaneous. The term "Mortgagee" shall mean the holder and owner, including pledgee, of the obligations secured hereby, whether or not named as Mortgagee herein. The term "Mortgagor" refers to and means each of the mortgagors collectively and/or individually, as applicable, based upon their respective interests in the Property. In construing this Mortgage and whenever the context so requires, the masculine gender includes the

feminine and neuter, and the singular number includes the plural. This Mortgage may be executed in two or more counterparts, all of which will constitute one and the same instrument and lien.

32. Possession and Maintenance of the Property.

32.1 Possession and Use. Until the occurrence of an Event of Default, Mortgagor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, and (c) collect any rents from the Property.

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

32.3 Nuisance, Waste. Mortgagor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Specifically without limitation, Mortgagor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel, or rock products without the prior written consent of Mortgagee.

32.4 Removal of Improvements. Mortgagor shall not alter, demolish, or remove any Improvements from the Property without the prior written consent of Mortgagee. As a condition to the alteration, demolition, or removal of any Improvements, Mortgagee may require Mortgagor to make arrangements satisfactory to Mortgagee to replace such Improvements with Improvements of at least equal value.

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

32.6 Compliance with Governmental Requirements. Mortgagor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Mortgagor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Mortgagor has notified Mortgagee in writing prior to doing so and so long as, in Mortgagee's sole opinion, Mortgagee's interests in the Property are not jeopardized. Mortgagee may require Mortgagor to post adequate security or a surety bond, reasonably satisfactory to Mortgagee, to protect Mortgagee's interest.

32.7 Duty to Protect. Mortgagor agrees neither to abandon nor leave unattended the Property. Mortgagor shall do all other acts, in addition to those acts set forth above in this Section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

33. Marshaling of Assets. Mortgagor hereby expressly waives all rights to require a marshaling of assets by the Mortgagee or to require Mortgagee to first resort to the sale of any portion of the Property that might have been retained by Mortgagor before foreclosing upon and selling any other portion thereof.

34. Severability. If any term of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

35. Modifications. This Mortgage may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

36. Mutual Negotiation. Mortgagee and Mortgagor confirm that they have mutually negotiated this Mortgage and that none of the terms or provisions of this Mortgage shall be presumptively construed against either party.

37. Jury Trial Waiver. MORTGAGOR KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION,

PROCEEDING OR COUNTERCLAIM RELATED TO THIS MORTGAGE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE SECURED OBLIGATIONS OR ANY INSTRUMENT OR OTHER AGREEMENT THAT EVIDENCES ANY OF THE SECURED OBLIGATIONS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. MORTGAGOR ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE MAKING THE LOAN EVIDENCED BY THE LOAN DOCUMENTS.

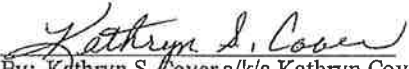
38. **Merger.** No merger shall occur as a result of Mortgagee acquiring any other estate in or lien on the Property, unless Mortgagee consents to a merger in writing.

39. **Additional Security.** The note described in this deed of trust/mortgage is also secured by a deed of trust/mortgage on lands located in Hartley County, Texas, which deed of trust or mortgage is executed by Grantors/Mortgagors herein and is recorded in the Official Public Records of Hartley County, Texas, in the Deed of Trust/Mortgage Records thereof. It is agreed that this deed of trust/mortgage or the deed of trust/mortgage recorded in Hartley County, Texas may be enforced simultaneously or alternatively at the option of the holder of the note hereinafter described, and that the enforcement of either shall not constitute a waiver of the other.

The parties have executed this Mortgage, Fixture Filing, and Assignment of Leases and Rents as of the day and year first above written.

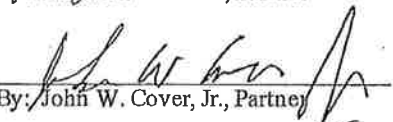
MORTGAGOR:

Cover Farms, a Texas general partnership


By: Kathryn S. Cover a/k/a Kathryn Cover
As Trustee of the John W. Cover Estate Trust
Created pursuant to that certain will and testament of
John W. Cover dated July 21, 1993, Partner


By: Kathryn S. Cover, Partner


By: Elizabeth K. Cover, Partner


By: John W. Cover, Jr., Partner


By: Andrew B. Cover, Partner

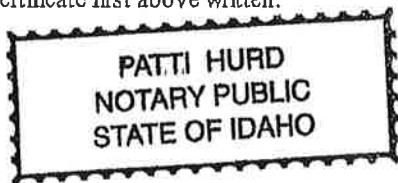

By: Susan Clements, Partner


By: Travis Clements, Partner

STATE OF Idaho)
COUNTY OF Jerome) ss.

On this 24th day of July, 2018, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared John W. Cover, Jr., known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

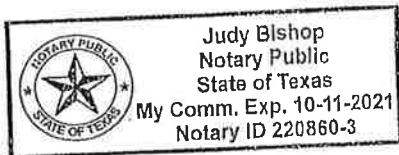


Patti Hurd
Notary Public for Idaho
Residing at Jerome ID
My commission expires 11/02/2019

STATE OF TEXAS)
COUNTY OF DALLAM) ss.

On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Idaho, personally appeared Kathryn S. Cover a/k/a Kathryn Cover as Trustee of the John W. Cover Estate Trust created pursuant to that certain will and testament of John W. Cover dated July 21, 1993, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

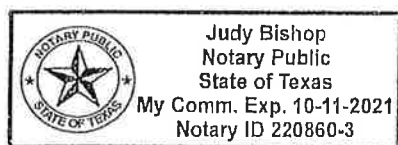


Judy Bishop
Notary Public for TEXAS [state]
Residing at Dalhousie Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Elizabeth K. Cover, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

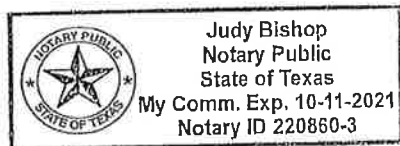


Judy Bishop
Notary Public for Texas [state]
Residing at Dalhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

On this 25th day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Katheryn S. Cover, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

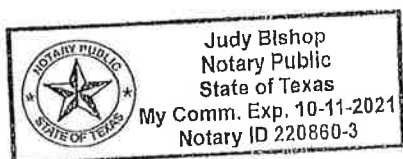


Judy Bishop
Notary Public for Texas [state]
Residing at Dalhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

On this 27th day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Andrew B. Cover, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

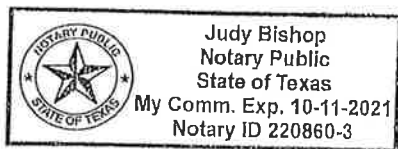


Judy Bishop
Notary Public for Texas [state]
Residing at Dalhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Idaho, personally appeared Susan Clements, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

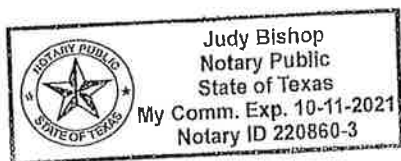


Judy Bishop
Notary Public for Texas [state]
Residing at Dalhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Idaho, personally appeared Travis Clements, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.



Judy Bishop
Notary Public for Texas [state]
Residing at Dalhart, Texas 79022
My commission expires 10-11-2021

Exhibit A (Real Property Description)

Tract I

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

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

Section 10: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM A parcel of land located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, more particularly described as follows:

Commencing at the West One Quarter corner of said Section 10 from which the Northwest corner of said Section 10 bears North 00°13'04" West, 2639.62 feet;
Thence North 00°13'04" West along the West boundary of the NW $\frac{1}{4}$ of Section 10 for a distance of 327.65 feet to the center of an irrigation lateral and being THE TRUE POINT OF BEGINNING;
Thence continuing North 00°13'04" West along the West boundary of the NW $\frac{1}{4}$ of Section 10 for a distance of 386.60 feet;
Thence North 89°46'56" East for a distance of 233.00 feet;
Thence South 00°13'04" East parallel with the West boundary of the NW $\frac{1}{4}$ of Section 10 for a distance of 353.47 feet to a point in the center of the irrigation lateral, said point being on the arc of a curve right;
Thence Southwesterly along the center of the irrigation lateral and along the arc of the curve right for a distance of 62.77 feet, said arc having a radius of 200.00 feet and a chord bearing and distance of South 75°04'47" West, 62.51 feet;
Thence South 84°04'11" West along the center of the irrigation lateral for a distance of 173.40 feet to THE TRUE POINT OF BEGINNING.

Tract II

PARCEL NO. 1

TOWNSHIP 5 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 5: That part of Government Lot 4 described as follows:

Commencing at a 1/2 inch steel pin with an orange plastic cap imprinted PLS 889 marking the Northwest corner of said Lot 4;
Thence along the North line of said Lot 4, South 89°47'39" East, a distance of 1326.21 feet to a 1/2 inch steel pin marking the Northeast corner of said Lot 4, being also THE POINT OF BEGINNING of this land description;
Thence along the East line of said Lot 4, South 00°10'10" West, a distance of 466.50 feet (South 466 feet 6 inches, Record);
Thence parallel to the North line of said Lot 4, North 89°47'39" West, a distance of 469.58 feet (West 469 feet 7 inches, Record);
Thence parallel to the East line of said Lot 4, North 00°10'10" East, a distance of 466.50 feet (North 466 feet 6 inches, Record) to the North line of said Lot 4;
Thence along the North line of said Lot 4, South 89°47'39" East, a distance of 469.58 feet (East 469 feet 7 inches, Record) to THE POINT OF BEGINNING.

PARCEL NO. 2

TOWNSHIP 5 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 5: That part of Government Lot 4 described as follows:

Commencing at a 1/2 inch steel pin with an orange plastic cap imprinted PLS 889 marking the Northwest corner of said Lot 4, being also THE POINT OF BEGINNING of this land description;
Thence along the North line of said Lot 4, South 89°47'39" East, a distance of 856.63 feet;
Thence parallel to the East line of said Lot 4, South 00°10'10" West, a distance of 466.50 feet;
Thence parallel to the North line of said Lot 4, South 89°47'39" East, a distance of 469.58 feet to the East line of said Lot 4;
Thence along the East line of said Lot 4, South 00°10'10" West, a distance of 287.01 feet to a point from which a 1/2 inch rebar with a plastic cap imprinted PLS 9858 bears South 87°27' at a distance of 25.0 feet;
Thence South 87°26'42" West, a distance of 282.00 feet to a 1/2 inch rebar with a plastic cap imprinted PLS 9858;
Thence South 00°24'53" West, a distance of 565.59 feet to a 1/2 inch rebar with a plastic cap imprinted PLS 9858 marking the intersection with the South line of said Lot 4;
Thence along the South line of said Lot 4, North 89°58'05" West, a distance of 1041.53 feet to a 1/2 inch rebar;
Thence North 00°08'41" East, a distance of 1335.85 feet to THE POINT OF BEGINNING.

PARCEL NO. 3

TOWNSHIP 5 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 6: Part of Government Lots 1 and 2, more particularly described as follows:

Commencing at the Northeast corner of said Section 6 and being also the TRUE POINT OF BEGINNING;
 Thence along the East line of said Government Lot 1, South 00°06'39" West, a distance of 1335.75 feet to the Southeast corner of said Lot 1;
 Thence along the South line of said Government Lots 1 and 2, North 89°42'46" West, a distance of 1808.26 feet to the center of a slough;
 Thence along the center of said slough the following bearings and distances:
 North 23°02'04" West, a distance of 340.35 feet;
 Thence North 32°48'15" West, a distance of 103.03 feet;
 Thence North 47°01'12" East, a distance of 156.75 feet;
 Thence South 82°53'40" East, a distance of 99.20 feet;
 Thence North 54°16'25" East, a distance of 68.38 feet;
 Thence North 48°53'43" East, a distance of 144.38 feet;
 Thence North 28°27'06" East, a distance of 201.93 feet;
 Thence North 37°25'06" East, a distance of 118.26 feet;
 Thence North 03°10'34" East, a distance of 96.03 feet;
 Thence North 30°53'37" East, a distance of 102.67 feet;
 Thence North 19°23'40" East, a distance of 75.71 feet;
 Thence North 33°55'43" East, a distance of 179.55 feet;
 Thence North 31°27'45" East, a distance of 32.57 feet to the North line of said Lot 1;
 Thence along the North line of said Lot 1, South 89°43'01" East, a distance of 1253.95 feet to THE POINT OF BEGINNING.

Tract III

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 32: A parcel of land located in the NW¼NE¼, more particularly described as follows:

Commencing at the North One Quarter (N¼) corner of said Section 32, from which the Northeast corner of Section 32 bears South 89°46'08" East, 2673.99 feet;
 Thence from the North One Quarter (N¼) corner of Section 32 on a bearing of South 89°46'08" East along the North boundary of the NE¼ of Section 32 for a distance of 196.41 feet to THE TRUE POINT OF BEGINNING;
 Thence continuing South 89°46'08" East along the North boundary of the NE¼ of Section 32 for a distance of 1140.58 feet to the Northeast corner of the NW¼NE¼ of Section 32;
 Thence South 00°05'14" East along the East boundary of the NW¼NE¼ of Section 32 for a distance of 1325.42 feet to the Southeast corner of the NW¼NE¼ of Section 32;
 Thence North 89°49'18" West along the South boundary of the NW¼NE¼ of Section 32 for a distance of 1332.66 feet to the Southwest corner of the NW¼NE¼ of Section 32;
 Thence North 00°16'27" West along the West boundary of the NW¼NE¼ of Section 32 for a distance of 200.00 feet;
 Thence North 23°07'11" East for a distance of 494.66 feet;
 Thence North 00°16'27" West parallel with the West boundary of the NE¼ of Section 32 for a distance of 670.95 feet to THE TRUE POINT OF BEGINNING.

SUBJECT TO:

1. A 25.0 foot wide county road easement along the North boundary of the before described parcel.

Tract IV

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 32: A parcel of land located in the SW¼NE¼, more particularly described as follows:

Commencing at the West One Quarter (W¼) corner of said Section 32 from which the Northwest corner of said Section 4 bears North 00°20'22" West 2647.02 feet;
 Thence South 89°52'28" East along the South boundary of the NW¼ of said Section 4 for a distance of 2655.25 feet to the Southwest corner of the NE¼ of said Section 32 and being the TRUE POINT OF BEGINNING;
 Thence North 00°16'27" West along the West boundary of the NE¼ of said Section 32 for a distance of 1326.68 feet to the Northwest corner of the W¼SW¼NE¼ of said Section 32;
 Thence South 89°49'18" East along the North boundary of the W¼SW¼NE¼ of said Section 32 for a distance of 666.33 feet to the Northeast corner of the W¼SW¼NE¼ of said Section 32;
 Thence South 00°10'51" East along the East boundary of the W¼SW¼NE¼ of said Section 21 for a distance of 1326.05 feet to the Southeast corner of the W¼SW¼NE¼ of said Section 21;
 Thence North 89°52'28" West along the South boundary of the NE¼ of said Section 21 for a distance of 664.16 feet to THE TRUE POINT OF BEGINNING.

TOGETHER WITH:

A 30.0 foot wide access and utility easement, said easement being on, over, under and across a 30.0 foot wide strip of land that is encompassed by the following described boundary:

Commencing at the Southwest corner of the before described parcel (C¼ Section 21) and being the TRUE POINT OF BEGINNING;
 Thence South 00°16'27" East along the East boundary of the SW¼ of said Section 21 for a distance of 30.00 feet;
 Thence North 89°52'28" West parallel with the North boundary of the SW¼ of said Section 21 for a distance of 1328.31 feet to a point on the West boundary of the NE¼SW¼ of said Section 21;

Thence North 00°15'09" West along the West boundary of the NE¼SW¼ of said Section 21 for a distance of 30.00 feet to the Northwest corner of the NE¼SW¼ of said Section 21;
Thence South 89°52'28" East along the North boundary of the NE¼SW¼ of said Section 21 for a distance of 1328.32 feet to the TRUE POINT OF BEGINNING.

TRACT V

PARCEL NO. 1:

TOWNSHIP 4 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 9: NE¼SW¼; NW¼SE¼;

PARCEL NO. 2:

TOWNSHIP 4 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 16: NE¼;

Section 17: NE¼;

Section 32: E¼NE¼; E¼SW¼NE¼; SE¼;

TOWNSHIP 5 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 4: Part of Lot 4, described as follows:

Commencing at a spike nail marking the Northwest corner of said Lot 4, being also the POINT OF BEGINNING;
Thence along the North line of said Lot 4, South 89°52'17" East, a distance of 1329.39 feet to a ½ inch steel pin with a cap stamped LS-884 marking the Northeast corner of said Lot 4;
Thence along the East line of said Lot 4, South 00°21'34" West, a distance of 723.03 feet to a MagNail with washer stamped LS 9858 on the Northerly line of a parcel of land conveyed to the State of Idaho by Quitclaim Deed recorded in the Lincoln County Courthouse as Instrument Number 151538, being also the beginning of a non-tangent curve concave to the Northwest having a radius of 5629.19 feet, a central angle of 2°01'02" and being subtended by a chord which bears South 65°22'00" West, 198.18 feet;
Thence along the Northerly line of said State of Idaho parcel and Southwesterly along said curve, a distance of 198.19 feet to the Point of Tangency, from which an iron pin with aluminum cap stamped "Idaho Trans Dept" bears North 55°36'40" East at a distance of 0.7 feet;
Thence continuing along the Northerly line of said State of Idaho parcel, South 66°22'31" West tangent to said curve, a distance of 1256.08 feet to a ½ inch rebar with cap stamped PLS 9858 on the West line of said Lot 4;
Thence along the West line of said Lot 4, North 00°15'59" East, a distance of 1311.98 feet to THE POINT OF BEGINNING.

TOWNSHIP 5 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 5: Lots 1, 2 and 3, and that part of the SE¼NE¼, described as follows:

Commencing at the Northeast corner of said SE¼NE¼;
Thence West along the North line of said 40 acres 1320 feet to the Northwest corner thereof;
Thence South 568 feet;
Thence diagonally in a Northeasterly direction 1413 feet to THE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion conveyed to the State of Idaho for highway purposes as set forth in Deed recorded November 10, 1934 in Book 37 Page 363, Lincoln County records.

PARCEL NO. 3:

INTENTIONALLY DELETED

PARCEL NO. 4:

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO.

Section 9: SE¼SW¼; and S¼SE¼

LINCOLN COUNTY
Recorded for:
TITLEONE - TWIN FALLS
03:25:45 PM 07-24-2018
0000200133

No. Pages 18 Fee: \$45.00
BRENDA FARNWORTH
County Clerk

Deputy: CS
Electronically Recorded by Simplifile

Recording Requested By and
When Recorded Return to:

Hawley Troxell Ennis & Hawley, LLP
c/o Sheila R. Schwager
877 Main Street, Suite 1000
Boise, Idaho 83701

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**MORTGAGE,
FIXTURE FILING, AND ASSIGNMENT OF LEASES AND RENTS**

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH ARTICLE 9
OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE STATE OF IDAHO.

THIS MORTGAGE, FIXTURE FILING, AND ASSIGNMENT OF LEASES AND RENTS (the
"Mortgage") is made to be effective as of July 23, 2018, by and among Cover Farms, a Texas general partnership,
a Partnership composed of; Kathryn S. Cover a/k/a Kathryn Cover as Trustee of the John W. Cover Estate
Trust created pursuant to that certain will and testament of John W. Cover dated July 21, 1993; Elizabeth K.
Cover; John W. Cover, Jr.; Kathryn S. Cover; Andrew B. Cover; Susan Clements and Travis Clements; each
as partner, (collectively "Mortgagor"); whose address is 1101 North 1350 East and bare ground, Richfield, Idaho
83349; and Capital Farm Credit, PCA (the "Mortgagee"), whose address is 3000 Briarcrest Dr., Suite 601, Bryan,
TX 77802.

1. **Granting Clause.** For good and valuable consideration, including the indebtedness described
below, the Mortgagor hereby irrevocably grants, bargains, mortgages, sells and conveys to Mortgagee and its
successors and assigns, with right of entry and possession as provided herein, all of Mortgagor's estate, right, title,
interest, claim and demand, now owned or hereafter acquired, in and to that certain real property located in Lincoln
County, State of Idaho, more particularly described on Exhibit A attached hereto and incorporated herein by this
reference (the "Property"); together with:

1.1 **After-Acquired Title.** Any after-acquired title of Mortgagor in and to the Property and in
and to land lying in the streets and roads adjoining the Property;

1.2 **Access, Etc.** All access rights and easements, now or hereafter belonging or in any way
appertaining to the Property;

1.3 **Improvements.** All buildings and other improvements and structures now or hereafter
erected on, attached to, located on, or used or intended to be used in connection with the Property;

1.4 **Leases.** All existing and future leases, subleases, sub-tenancies, licenses, agreements and
concessions relating to the use, occupancy or enjoyment of all or any part of the Property, together with any and all
guaranties and other agreements relating to or made in connection with any of the foregoing;

1.5 **Rents.** All rents, issues, income, revenues, royalties, profits, proceeds, earnings and other
benefits now or hereafter payable with respect to or otherwise derived from the ownership, use, management,
operation, leasing or occupancy of the Property, including, without limitation, cash or security deposited under any of
the leases to secure the performance by the lessees of their obligations thereunder;

1.6 **Appurtenances.** All tenements, hereditaments, appurtenances, privileges, choices in
action, options to purchase all or any part of the Property or any interest therein (and any greater estate in the Property

now owned or hereafter acquired by Mortgagor pursuant thereto), and other rights and interests now or in the future benefiting or otherwise relating to the Property, including, without limitation, easements, rights-of-way, sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property, development rights, oil, gas or other mineral rights and all royalty, leasehold and other rights of Mortgagor pertaining thereto;

1.7 Water. Notwithstanding any other provision, reservation or exceptions contained herein or on any exhibit hereto, the lien created hereby shall cover all Mortgagor's water rights, including but not limited to, rights to surface water, ground water, underground water, percolating waters, tributaries and non-tributaries, rights to any water from lakes, streams or other bodies of water, adjudicated, licensed, or permitted water and water rights, appropriated or un-appropriated water and water rights, decreed or un-decreed water and water rights, riparian and other water rights which are now owned or which are hereafter acquired by Mortgagor whether or not expressly excepted from the description of the Property, and all stock certificates or shares in any canal or ditch company serving the Property, and all deposits made with or others security given to utility companies by Mortgagor with respect to the Property, including but not limited to any and all rights and interest in Big Wood Canal Company stock Certificate Nos. 13062 (160 shares), 13063 (130 shares), 13064 (120 shares), 13067 (120 shares), 13094 (222 shares), 13101 (126 shares), 13121 (20 shares), 13365 (96.64 shares) and 13421 (56 shares) and Idaho Water Right Nos. 37-10431, 37-10432 and 37-10434, and in any other water rights, water right applications and water right permits that are or become appurtenant to or associated with the Property.

1.8 Timber. All timber with respect to the Property, including, but not limited to, standing timber, timber to be cut, and cut timber;

1.9 Crops. Any and all present and future rights, title and interest in and to all crops growing or to be planted, cultivated, grown, raised and/or harvested, or any interest thereon, together with any and all agricultural and farm products produced or derived therefrom, of every nature and kind whatsoever, including aquatic goods produced in aqua-cultural operations;

1.10 Mineral and Gas Rights. All existing and future rights in royalties, leasehold, surface, subsurface and/or mineral rights now owned or after-acquired, oil and gas rights, and other mineral rights in or related to the Property;

1.11 Additional Property and Rights. All other property or rights of any kind or nature further set forth herein;

1.12 Proceeds. Any and all interest and estate that Mortgagor or Mortgagor's assigns may hereafter acquire in any of the above Property and all the rents, issues, proceeds, products, and profits of such Property; all of which shall be deemed to be and remain a part of the Property and not severable wholly or in any part without material injury to the freehold and shall be included in any references to the Property hereunder.

2. Security Agreement. To the extent any of the Property described above in Article 1 is deemed to be personal property, including but not limited to the water and water rights identified above in Article 1.7, as well as all license agreements with the Big Wood Canal Company, including without limitation those recorded in Lincoln County, Idaho, as Instrument Nos. 183748, 185520, and 190759, and all wells, pumps, pipes, pivots, and irrigation equipment of any kind, the Mortgagor hereby grants and assigns to Mortgagee a security interest, to secure payment and performance of all Secured Obligations (defined below).

3. Fixture Filing. It is intended that the recording of this Mortgage shall be effective as a "fixture filing" under Article 9 of the UCC with respect to any and all fixtures included within the Collateral and all goods or personal property that are now or may hereafter become affixed to the Property, and the Mortgage is to be filed and indexed in the real estate records not only as a mortgage, but also a fixture filing.

4. Obligations Secured. This Mortgage is given for the purpose of and does secure the following obligations (collectively, the "Secured Obligations"):

3.1 Obligations Identified in the Loan and Loan Documents. The obligations identified in that certain Promissory Note dated July 23, 2018 in the principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00), and all amendments thereof, to obtain a loan from Mortgagee its affiliates, successors or assigns,

identified as Loan No. 220100256 ("Loan"), and the obligations identified in the loan documents executed in furtherance of the Loan ("Loan Documents").

4.2 **Additional Obligations.** All present and future debts, regardless of whether this Agreement is referenced, such debts are secured by other collateral, or whether the future debt is unrelated to or of a different type than the current debt, and including those debts owed by Mortgagor to any of Mortgagee's affiliated or subsidiary institutions, including but not limited to Capital Farm Credit, ACA and/or to Capital Farm Credit, FLCA, or their respective successors or assigns. Any lien created hereby for an Affiliate or subsidiary shall be inferior and secondary to the lien created in favor of Mortgagee. Mortgagee and/or its Affiliates or subsidiaries may make future advances to Mortgagor and/or may transfer the debt instruments from one Affiliate or subsidiary to another and this Mortgage shall further secure the payment to Mortgagee or to Affiliates or subsidiaries of all such future advances. Nothing in this Mortgage is a commitment to make future loans or advances

Mortgagor acknowledges that they will and have received a material benefit from the obligations set forth in the Loan and the Loan Documents and that Mortgagee would not make any advancements under the Loan or other accommodations as set forth in the Loan or Loan Documents, without the security of this Mortgage.

Mortgagor further covenants and agrees as follows:

5. **Assignment of Rents.** Mortgagor hereby assigns and transfers to Mortgagee all its right, title, and interest of Mortgagor in and under all leases now or hereafter affecting the Property (the "Leases"). This assignment is absolute, unconditional, and not in the nature of a security interest, it being the intention of Mortgagor to establish a complete and present transfer of all interests assigned hereunder with the right, but without the obligation, to collect all rents and profits of the Property under the Leases. So long as Mortgagor is not in default hereunder, Mortgagor may collect assigned rents and profits as the same fall due under the Leases; but, upon the occurrence of any Event of Default hereunder, all rights of Mortgagor to collect or receive rents and profits shall terminate until Mortgagee is paid in full. Upon the occurrence of an Event of Default hereunder and the exercise by Mortgagee of its rights herein granted, Mortgagor agrees that payment made by tenants or occupants to Mortgagee shall be considered as though made to Mortgagor and in discharge of the tenants' obligations to Mortgagor and such payments shall be credited as payments of Mortgagor on amounts due Mortgagee under the Secured Obligations. Nothing herein contained shall be construed as obligating Mortgagee to perform any of Mortgagor's covenants under any lease or rental arrangement.

6. **Assignment of Permits, Contracts, and Plans.** In addition to and without in any way derogating from the security interest granted Mortgagee in the Collateral, Mortgagor hereby assigns, grants, transfers, and sets over unto Mortgagee, Mortgagor's right, title, and interest in, to, and under any and all permits, approvals, commitments, designs, plans, specifications, contracts, including, but not limited to, logging, timber, construction, architectural and engineering contracts, subcontracts, surveys, appraisals, listing agreements, warranties, and any and all other contracts for work product relating to farming, logging, development or construction on the Property or any part thereof, together with all amendments, modifications, supplements, revisions, and addenda thereto heretofore or hereafter prepared or executed (collectively, the "Permits, Contracts, and Plans").

6.1 **Security for Loans.** This assignment is made as additional security for the payment and performance of all of the obligations of Mortgagor.

6.2 **Liabilities.** Mortgagee does not assume any obligations or duties of Mortgagor under the Permits, Contracts, and Plans unless and until Mortgagee shall have given Mortgagor written notice of the same. If Mortgagee does not directly undertake to complete development or construction of the Property, Mortgagee may assign such Permits, Contracts, and Plans to, and such obligations and duties of Mortgagor in connection with the Permits, Contracts, and Plans shall be assumed by, the person or entity designated by the Mortgagee for the purpose of completing such development or construction, and Mortgagee shall have no liability whatsoever for the performance of any such obligations and duties.

7. **Representations and Warranties.** To protect the security of this Mortgage and for the benefit of Mortgagee, Mortgagor does, for Mortgagor and for Mortgagor's successors and assigns, represents, covenant, warrant, and agree as follows:

7.1 Warranty of Title. Excepting matters accepted and approved by Mortgagee as exceptions to title in final title policies covering the Property, that Mortgagor, as applicable, has good and marketable title to an indefeasible fee simple estate in all real property described herein subject only to such liens and encumbrances, if any, specifically described herein or otherwise accepted or approved by Mortgagee in writing; that Mortgagor, as applicable, owns all of the Property described herein free from liens, security interests, and encumbrances of any kind (other than those approved in writing by Mortgagee); that Mortgagor is vested with the right to convey all real property described herein to Mortgagee; and that no consent of other parties is required as a condition thereto. Mortgagor does hereby and will forever warrant and defend title to the Property herein conveyed and defend the validity and priority of the lien of this Mortgage against the claims and demands of all persons and parties;

7.2 Commercial Instrument. That the proceeds of the Loan and obligations set forth in the Loan Documents, secured hereby, have been and will be used for business or commercial purposes and not for personal or family purposes; and

7.3 Legal Entity, Business, Etc. That while any sums remain outstanding hereunder, Mortgagor will: (a) maintain its existence in the form under which it currently operates, and preserve in full force and effect all its rights and franchises having a material effect upon its business or the ownership of its properties; and (b) give prompt notice to Mortgagee of any material change in Mortgagor's business or financial position, any change in any location where Mortgagor's accounts and/or assets are to be maintained, the location of any new places of business of Mortgagor and the changing or closing of any of its existing places of business, and any change in Mortgagor's name.

8. Maintenance and Inspection of Improvements. Mortgagor shall not allow any material changes in the zoning of the Property or its zoning without Mortgagee's consent. Mortgagor shall not commit or suffer any waste and shall remedy any waste within thirty (30) days following Mortgagee's notice thereof; shall promptly comply with all the requirements of federal, state, and municipal authorities and all other laws, ordinances, regulations, covenants, conditions, and restrictions respecting the Property or the use thereof and shall remedy any failure to so comply within thirty (30) days of notice of the failure to comply; and shall pay all fees or charges of any kind in connection therewith on the date such fees or charges are due. Mortgagee and its employees and agents shall be entitled from time to time to enter on the Property (including the interior of any structures), at reasonable times and after reasonable notice, to inspect the Property, to ascertain compliance with the "Substances" warranties and covenants, including the right to take soil samples and conduct other reasonable tests and investigations, conduct appraisals to determine the value of the Property, or to perform any other act authorized hereunder or in the security agreement. Costs incurred in obtaining such inspections, appraisals, tests, and other activities described above shall be part of the obligations secured hereby, to the extent Mortgagor is obligated to pay them under the terms of the agreements signed in favor of Mortgagee. Mortgagor will permit access to the Property and will fully cooperate with Mortgagee in this regard.

9. Insurance.

9.1 Obligation to Insure. Mortgagor shall at all times provide, maintain and keep in force, at its own cost and expense, the insurance policies required in the agreements signed by Mortgagor in favor of Mortgagee, and such additional insurance as Mortgagee may require from time to time upon thirty (30) days' notice against the same or other hazards.

9.2 Exculpation; General Provisions Related to All Policies. Mortgagee shall not be obligated to obtain insurance, or be responsible for the collection of any insurance monies or for any insolvency of any insurer or insurance underwriter. All policies of insurance required by this Mortgage (a) shall contain an endorsement or an agreement of the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act of negligence of Mortgagor or Mortgagee that might otherwise result in forfeiture of said insurance and further waiving all rights of setoff, subrogation, counterclaim or deductions against Mortgagee; (b) shall be issued in amounts no less than the amounts required by Mortgagee, issued by companies acceptable to Mortgagee; and (c) shall contain a provision that such policies will not be canceled or amended, or be subject to any reduction in the scope or limits of coverage, without at least thirty (30) days' prior written notice to Mortgagee.

9.3 Delivery of Insurance Policies, Payment of Premiums. Mortgagor shall furnish Mortgagee with a copy of each policy of insurance required hereunder and a certificate of each policy of insurance required

hereunder evidencing the required coverage, each such certificate setting forth the coverage, the limits of liability, the name of the carrier, the policy number and the expiration date. At least thirty (30) days prior to the expiration of each such policy, Mortgagor shall furnish Mortgagee with an original of all policies required hereunder marked "premium paid" and with evidence, satisfactory to Mortgagee, of the reissuance of such policy continuing insurance in force as required by this Mortgage. In the event any such insurance policy and/or evidence of payment of premium are not so delivered to Mortgagee as required hereunder, Mortgagor, by executing this Mortgage, specifically requests Mortgagee to obtain and pay for, and Mortgagee may obtain and pay for, such insurance for such risks covering Mortgagee's interest in the Property (without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereunder), and Mortgagor shall pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums together with interest thereon at the Default Rate (defined in the Loan) from the date of payment by Mortgagee shall be secured by this Mortgage.

10. Liens and Taxes.

10.1 Payment. To (a) pay at least ten (10) days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes, assessments and charges of any kind or nature whatsoever, which are imposed upon, assessed against or affect the Property or any part thereof, (b) pay when due all encumbrances, charges or liens of any kind or nature whatsoever, which create or may create a lien upon the Property or any part thereof, or any interest therein, whether prior and superior or subject and subordinate to the lien hereof, and (c) deliver, upon Mortgagee's request, to Mortgagee, within ten (10) days after the date upon which any such tax, assessment, encumbrance, charge or lien is due and payable by Mortgagor, official receipts of the appropriate taxing authority (or other proof satisfactory to Mortgagee) evidencing the payment thereof.

10.2 Creation of Liens. Except for liens issued in favor of Capital Farm Credit, FLCA, Mortgagor will not, without Mortgagee's consent, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for normal ad valorem real property taxes that are not yet due and payable), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, prior to, on a parity with or subordinate to the lien of this Mortgage. If any of the foregoing becomes attached to the Property without such consent, Mortgagor will promptly cause the same to be discharged and released.

11. Books and Records. Mortgagor shall keep and maintain, or cause to be kept and maintained, proper and accurate books, records and accounts of the Property and of its own financial affairs to permit the preparation of financial statements therefrom. Mortgagee, through its agents, representative or employees, shall have the right, from time to time, at any time and at all times, during normal business hours, to examine, copy and audit such books, records and accounts. If the Property is at any time used for commercial or residential income purposes, Mortgagor shall deliver to Mortgagee, within thirty (30) days following Mortgagee's request, certified financial statements and profit-and-loss statements for Mortgagor and the Property prepared in accordance with generally accepted accounting principles.

12. Defense of Title. Mortgagor shall appear in and defend any suit, action, or proceeding that might affect the value of this Mortgage, the Mortgage itself, or the rights and powers of Mortgagee, including, without limitation, any condemnation or public improvement proceeding, and Mortgagee shall have the right to elect also to appear and defend any such action or proceeding, be made a party to such by reason of this Mortgage, or elect to prosecute such action as appears necessary to preserve said value. Mortgagor will, at all times, indemnify from and, on demand, reimburse Mortgagee for any and all loss, damage, expense, or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action, or proceeding.

13. No Changes. Mortgagor agrees that so long as any amount or obligation is outstanding by Mortgagor to Mortgagee, and except if and to the extent otherwise expressly provided in the agreements entered into with Mortgagee, Mortgagor will not, without the written consent of Mortgagee:

13.1 Change in Use. Change the use of the Property or allow any material permits or licenses required for such use of the Property to expire, lapse or be suspended or terminated.

13.2 **Consent to Assessment District.** Cause or otherwise consent to the formation of any community facilities district that includes the Property or any part of the Property, any assessment district that includes the Property or any part of the Property, or any other comparable or similar district, area or territory that includes the Property or any part of the Property pursuant to any restriction, or cause or otherwise consent to the levying of assessments by any such assessment district against the Property or any part thereof, the levying of special taxes by any community facilities district against the Property or any part thereof, or the levying of assessments, taxes or other imposition by any such district, area or territory. Mortgagor shall immediately give notice to Mortgagee of any notification or advice that Mortgagor may receive from any municipality or other third party of any intent or proposal to include all or any part of the Property in a community facilities district. Mortgagee shall have the right to file a written objection to the inclusion of all or any part of the Property in a community facilities district, either in its own name or in the name of Mortgagor, and to appear at, and participate in, any hearing with respect to the formation of any such district.

14. **Notices Required.** Mortgagor shall comply with and promptly, but not later than ten (10) days following receipt thereof, furnish to Mortgagee true and complete copies of any notices pertaining to the Property by any governmental authority of the United States, or the State, County, or City, or any other political subdivision in which the Property is located or which exercised jurisdiction over Mortgagor or the Property. Mortgagor shall promptly notify Mortgagee of any material fire or other material casualty or any notice of taking or eminent domain proceeding affecting the Property. Mortgagor shall promptly, but not later than ten (10) days following receipt thereof, notify Mortgagee of any other action, proceeding or investigation concerning the Property, or any party thereof, of which it acquires notice.

15. **Mortgagee Authorized to Act.** Should Mortgagor fail to make any payment or to do any act as herein provided, Mortgagee may, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereunder: (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; (b) commence, appear in, and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee; (c) pay, purchase, contest, or compromise any encumbrance, charge, or lien that in the sole judgment of Mortgagee either appears to be prior or superior to this Mortgage; and, (d) in exercising any such power, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and reasonable attorneys' fees, which cost will immediately be due from Mortgagor and will be one of the Secured Obligations under this Mortgage.

16. **Condemnation Proceeds.** In the event that all or any portion of the Property is taken under the right of eminent domain or condemnation, Mortgagee shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking be paid to Mortgagee and applied by it first to any reasonable costs, expenses, and attorneys' fees, both in trial and appellate courts, necessarily paid or incurred by Mortgagee in such proceedings, and the balance applied upon the indebtedness secured hereby. Mortgagor further agrees, at its own expense, to take such actions and execute such instruments as shall be necessary to obtain such compensation.

17. **Non-Waiver of Defaults.** The entering upon and taking possession of the Property, the collection of rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation or awards for any kind of taking or damage of the Property, and the application or release thereof as provided in this Mortgage shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice of default. Further, by accepting payment of any sums secured hereby after their due date, Mortgagee does not waive its right either to require prompt payment when due of all other sums so secured or to declare the failure to pay such sums an Event of Default.

18. **Events of Default.** Notwithstanding any cure periods described below, Mortgagor shall immediately notify Mortgagee in writing when Mortgagor obtains knowledge of the occurrence of any default specified below (individually, an "Event of Default"). Regardless of whether Mortgagor has given the required notice, the occurrence of one or more of the following shall constitute an Event of Default, subject to any applicable cure periods set forth in the Note or Credit Documents:

18.1 Payment Default. Mortgagor's failure to pay any payment under the Loan, Loan Documents, or any fees, charges, costs or expenses under this Mortgage or any other agreement issued in favor of Mortgagee when due; or any taxes, insurance premiums, assessments, or rents related to the Property;

18.2 Default Under Agreements. Failure by Mortgagor to perform, when due, any of the terms, covenants and conditions set forth in the Loan, Loan Documents, or any other agreements entered into with Mortgagee;

18.3 Default on Obligations Secured by Property. Any failure to perform any obligation that is secured by any lien against or any interest in the Property, rights, or interests encumbered hereby or any portion thereof, regardless of whether such lien or interest is prior or subordinate to the Mortgage, subject to any applicable cure provisions;

18.4 Default on Other Obligations. The Mortgagor fails to comply with or to perform any other term, obligation, covenant or condition under the terms of any loan agreement, promissory note, conditional sale contract, lease or other agreement, document or instrument evidencing, governing, or securing any indebtedness owing by the Mortgagor, or any indebtedness owing by Mortgagor, to any third party and the period of grace, if any, to cure said default under such third party agreement shall have passed;

18.5 Judgments. Any judgment shall be obtained against the Mortgagor;

18.6 Inability to Perform; Bankruptcy; Insolvency; Change in Ownership. (a) Mortgagor shall die or cease to exist; (b) any bankruptcy, insolvency or receivership proceedings, or an assignment for the benefit of creditors, shall be commenced under any federal or state law by or against Mortgagor; (c) Mortgagor shall become the subject of any out of court settlement with its creditors; or (d) Mortgagor is unable or admits in writing its inability to pay its debts as they mature;

18.7 Default Under Leases. Any defaults by Mortgagor under any material lease affecting the Property, any termination of such lease, or any modification, surrender, or cancellation of such lease without Mortgagee's prior written consent, which shall not be unreasonably withheld;

18.8 Adverse Change; Insecurity. Any material adverse change in the Property, including, without limitation, actual or threatened removal, demolition, or impairment of the Property, or any improvements thereon, or in the financial condition of Mortgagor, or Mortgagee in good faith deems itself insecure; and

18.9 Impact on Use of Property. Any impending or proposed: (a) condemnation, (b) rezone, or (c) modification or enactment of any ordinances or regulations that could materially affect any proposed development of the Property or the use or value thereof.

The waiver by Mortgagee of any Event of Default shall not constitute a waiver of any other or subsequent Event of Default.

19. Acceleration Upon Default; Additional Remedies. Upon any Event of Default, Mortgagee may, at its option and without notice to or demand upon Mortgagor, exercise any one or more of the following actions: declare all amounts secured by this Mortgage immediately due and payable; bring a court action to enforce the provisions of this Mortgage or any of the other agreements; judicially foreclose this Mortgage in any manner permitted by applicable law; exercise Mortgagee's rights with respect to any leases and rents; and/or exercise any or all of the other rights and remedies under this Mortgage and the other agreements, or available under law or in equity. To the extent permitted by law, every right and remedy provided in this Mortgage or afforded by law or equity or any other agreement between Mortgagee and Mortgagor may be exercised concurrently, independently, or successively, in any order whatsoever. Mortgagee may exercise any of its rights and remedies at its option without regard to the adequacy of its security.

20. Crops. Mortgagee shall have full power to sell, lease, transfer, or otherwise deal with the Crops or proceeds thereof in Mortgagee's own name or that of Mortgagor. Mortgagee may enter upon the premises where crops are located and, using any and all of Mortgagor's equipment, machinery, tools, farming implements, and supplies, and improvements located on the Property: (a) farm, cultivate, irrigate, fertilize, fumigate, prune, and perform any other act or acts appropriate or necessary to grow, care for, maintain, preserve and protect the crops

(using any water located in, on or adjacent to the premises); (b) harvest, pick, clean, and remove the crops from the premises; and (c) appraise, store, prepare for public or private sale, exhibit, market and sell the crops and any products of the crops; provided that Mortgagor hereby agrees that Mortgagee shall not be responsible or liable for returning the Property to their condition immediately preceding the use of the Property as provided herein or for doing such acts as may be necessary to permit future crops to be maintained on the Property.

21. Judicial Foreclosure. In the Event of Default, Mortgagee may commence an action to judicially foreclose this Mortgage in the manner provided by law for the foreclosure of mortgages on real property in the State of Idaho. Mortgagee shall be entitled to recover in such proceeding all costs and expenses incident thereto (including costs on appeal), including attorneys' fees (and attorneys' fees on appeal). The Property and/or any personal property securing the Secured Obligations ("Collateral") may be sold at one or more sales, as a whole or in such parcels or lots, with such elements of real and/or personal property, and in such manner or order as the Mortgagee, in its sole discretion, may elect. Mortgagee will be entitled to possession of the Property and Collateral during any redemption period allowed under the laws of the State of Idaho. However, if Mortgagor remains in possession of the Property and/or Collateral after it has been sold, Mortgagor will become a tenant at will of the purchaser of the Property and/or Collateral and will pay a reasonable rental for the use thereof while the same is in Mortgagor's possession. During any redemption period, the purchaser may make such repairs and alterations to the Property and/or Collateral as may be reasonably necessary for its proper operation, care, preservation or protection; pay any liens which become due; insure the Property and Collateral against loss by casualty and itself against liability arising from its ownership and use of the Property and/or Collateral; pay liens not extinguished by the foreclosure; and pay any other amounts relating to the Property and/or Collateral as they become due. Any sums so paid, together with interest thereon from the date of the expenditure at the rate allowed under Idaho law during the period of redemption, will be included in the amount required to be paid to redeem the Property and/or Collateral.

22. Appointment of Receiver. Upon the occurrence of an Event of Default and in accordance with applicable law, Mortgagee personally or by its agents or attorneys, or through a duly appointed receiver, may enter into and upon all or any part of the Property, and each and every part thereof, and may exclude the Mortgagor and their agents wholly therefrom; and having and holding the same may possess, use, operate, manage, improve and control the Property and conduct the business thereof; and the Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits, income, accounts, accounts receivable, contract rights and general intangibles included in the Property or generated by operations of the Property and every part thereof whether or not Mortgagee or a receiver is then in possession of the Property. Mortgagee shall be entitled to the appointment of a receiver as a matter of right, whether or not the apparent value of the Property exceeds the indebtedness secured hereby, and any receiver appointed may serve without bond. Employment by Mortgagee shall not disqualify a person from serving as a receiver. The exercise of any right under this section shall not be deemed an election of remedies nor a "pending action" so as to preclude the exercise of any other right or remedy.

23. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any obligations secured hereby and to exercise all rights and powers under this Mortgage, under any other agreement, or under any laws now or hereafter in force, notwithstanding some or all of the said obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, pledge, lien, guaranty, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be, to the extent permitted by applicable law, entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as Mortgagee in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, or given by any of other agreements issued to Mortgagee, and Mortgagee may pursue inconsistent remedies. The failure on the part of Mortgagee to promptly enforce any right hereunder shall not operate as a waiver of such right.

24. Repayment of Mortgagee's Expenditures and Advances. Mortgagor, jointly and severally, shall immediately pay, without demand by Mortgagee, all sums expended or advanced hereunder or under any of the agreements entered in favor of Mortgagee, including this Mortgage, and all costs incurred by Mortgagee in enforcing or protecting their rights or interests hereunder or under any of the other agreements (including, without limitation, attorneys' fees, accountants' fees, and any other costs or expenses whatsoever), with interest from the date of any such

expenditure or advance at the Default Rate applicable to any of the Secured Obligations, and the same shall constitute advances made under this Mortgage and repayment thereof shall be secured hereby. If Mortgagor fails to pay any such expenditures, advances, costs, or expenses, together with interest thereon, Mortgagee may, in addition to the other remedies provided hereunder to the extent permitted by applicable law, at its sole discretion: (a) commence an independent action against Mortgagor, jointly and severally, for the recovery of such sums; and/or (b) advance any undisbursed loan proceeds to pay the same. Such amounts are secured by this Mortgage.

25. Due on Sale or Encumbrance. Mortgagor acknowledges and agrees that the obligations secured by this Mortgage are personal to Mortgagor and that Mortgagor's personal responsibility, financial condition, and control of the Property were material inducements on which Mortgagee relied in making its loans, advancements, and accommodations to Mortgagor. Mortgagor agrees that except as otherwise provided herein, neither the Property nor any interest therein shall be encumbered, sold (by contract or otherwise), conveyed, leased, or otherwise transferred by Mortgagor. Any such action, which is not otherwise permitted herein, without Mortgagee's prior written consent shall be deemed to increase Mortgagee's risk, and shall be an Event of Default hereunder. If Mortgagee elects, in its sole discretion, to consent to any such action, then (i) Mortgagee may condition its consent on such terms and conditions as Mortgagee may require, such as payment of a transfer review fee and/or assumption fee, and/or an increase in the interest rate on the obligations secured hereby; and (ii) Mortgagor agrees to execute any documents as Mortgagee deems necessary to preserve or maintain its security interest in the Property. Mortgagee shall not be required to release the original obligor or any other party liable for such obligations.

26. Indemnification by Mortgagor. Mortgagor agrees to indemnify and hold Mortgagee harmless from and against any and all losses, liabilities, suits, obligations, damages, costs, and expenses, including attorneys' fees and costs, that may be imposed on, incurred or paid by, or asserted against Mortgagee by reason or account of: (a) any action by Mortgagor in connection with the Property; (b) any good faith and commercially reasonable exercise of any of the rights and remedies or performance of any of the duties of Mortgagee under any of the agreements; or (c) any other liability arising in any manner in connection with the Property other than as a result of the gross negligence or willful misconduct of Mortgagee, and such obligation shall be secured by this Mortgage. If any claim, action, or proceeding is brought against Mortgagee that is the subject of the indemnity set forth in this Section, Mortgagor shall resist or defend against the same, if necessary in the name of the Mortgagee, by attorneys for Mortgagor's insurance carrier or otherwise by attorneys approved by Mortgagee.

27. Further Assurances. Mortgagor, from time to time, within fifteen (15) days after request by Mortgagee, shall execute, acknowledge, and deliver to Mortgagee such additional security instruments, in form and substance satisfactory to Mortgagee, which, in the reasonable opinion of Mortgagee, is essential to the operation of the Property covered by this Mortgage, and shall execute, acknowledge, and deliver any financing statement, renewal, affidavit, certificate, continuation statement, or other document as Mortgagee may reasonably request in order to perfect, preserve, continue, extend, or maintain Mortgagee's security interests under or the priority of this Mortgage. Mortgagor shall pay all costs in connection with the preparation, execution, recording, filing, and re-filing of any such documents.

28. Waiver. To the extent any homestead exemption or other exemption applies, Mortgagor hereby waives all rights to such homestead exemption, other exemptions, or of the marshaling of liens and assets relating to the Property.

29. Assignment. Mortgagor may not assign the Mortgage to any person at any time, except in connection with a transaction approved in writing by Mortgagee under the terms of this Mortgage. Subject to such prohibitions against Mortgagor's assignment, this Mortgage shall inure to the benefit of and bind all of the parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors, and assigns.

30. Applicable Law. This Mortgage is made with reference to and is to be construed in accordance with the laws (without regard to the choice of law rules) of the State of Idaho.

31. Miscellaneous. The term "**Mortgagee**" shall mean the holder and owner, including pledgee, of the obligations secured hereby, whether or not named as Mortgagee herein. The term "**Mortgagor**" refers to and means each of the mortgagors collectively and/or individually, as applicable, based upon their respective interests in the Property. In construing this Mortgage and whenever the context so requires, the masculine gender includes the

feminine and neuter, and the singular number includes the plural. This Mortgage may be executed in two or more counterparts, all of which will constitute one and the same instrument and lien.

32. Possession and Maintenance of the Property.

32.1 Possession and Use. Until the occurrence of an Event of Default, Mortgagor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, and (c) collect any rents from the Property.

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

32.3 Nuisance, Waste. Mortgagor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Specifically without limitation, Mortgagor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel, or rock products without the prior written consent of Mortgagee.

32.4 Removal of Improvements. Mortgagor shall not alter, demolish, or remove any Improvements from the Property without the prior written consent of Mortgagee. As a condition to the alteration, demolition, or removal of any Improvements, Mortgagee may require Mortgagor to make arrangements satisfactory to Mortgagee to replace such Improvements with Improvements of at least equal value.

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

32.6 Compliance with Governmental Requirements. Mortgagor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Mortgagor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Mortgagor has notified Mortgagee in writing prior to doing so and so long as, in Mortgagee's sole opinion, Mortgagee's interests in the Property are not jeopardized. Mortgagee may require Mortgagor to post adequate security or a surety bond, reasonably satisfactory to Mortgagee, to protect Mortgagee's interest.

32.7 Duty to Protect. Mortgagor agrees neither to abandon nor leave unattended the Property. Mortgagor shall do all other acts, in addition to those acts set forth above in this Section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

33. Marshaling of Assets. Mortgagor hereby expressly waives all rights to require a marshaling of assets by the Mortgagee or to require Mortgagee to first resort to the sale of any portion of the Property that might have been retained by Mortgagor before foreclosing upon and selling any other portion thereof.

34. Severability. If any term of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

35. Modifications. This Mortgage may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

36. Mutual Negotiation. Mortgagee and Mortgagor confirm that they have mutually negotiated this Mortgage and that none of the terms or provisions of this Mortgage shall be presumptively construed against either party.

37. Jury Trial Waiver. MORTGAGOR KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION,

PROCEEDING OR COUNTERCLAIM RELATED TO THIS MORTGAGE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE SECURED OBLIGATIONS OR ANY INSTRUMENT OR OTHER AGREEMENT THAT EVIDENCES ANY OF THE SECURED OBLIGATIONS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. MORTGAGOR ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE MAKING THE LOAN EVIDENCED BY THE LOAN DOCUMENTS.

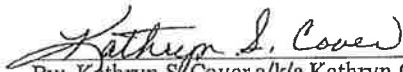
38. **Merger.** No merger shall occur as a result of Mortgagee acquiring any other estate in or lien on the Property, unless Mortgagee consents to a merger in writing.

39. **Additional Security.** The note described in this deed of trust/mortgage is also secured by a deed of trust/mortgage on lands located in Hartley County, Texas, which deed of trust or mortgage is executed by Grantors/Mortgagors herein and is recorded in the Official Public Records of Hartley County, Texas, in the Deed of Trust/Mortgage Records thereof. It is agreed that this deed of trust/mortgage or the deed of trust/mortgage recorded in Hartley County, Texas may be enforced simultaneously or alternatively at the option of the holder of the note hereinafter described, and that the enforcement of either shall not constitute a waiver of the other.

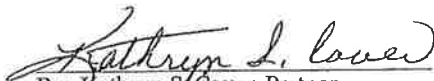
The parties have executed this Mortgage, Fixture Filing, and Assignment of Leases and Rents as of the day and year first above written.

MORTGAGOR:

Cover Farms, a Texas general partnership



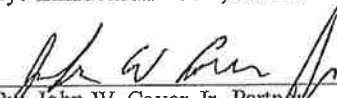
By: Kathryn S. Cover a/k/a Kathryn Cover
As Trustee of the John W. Cover Estate Trust
Created pursuant to that certain will and testament of
John W. Cover dated July 21, 1993, Partner



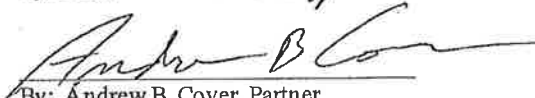
By: Kathryn S. Cover, Partner



By: Elizabeth K. Cover, Partner



By: John W. Cover, Jr., Partner



By: Andrew B. Cover, Partner



By: Susan Clements, Partner

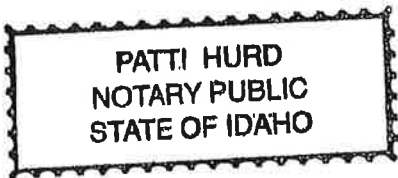


By: Travis Clements, Partner

STATE OF Idaho)
COUNTY OF Jerome) ss.

On this 24th day of July, 2018, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared John W. Cover, Jr., known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

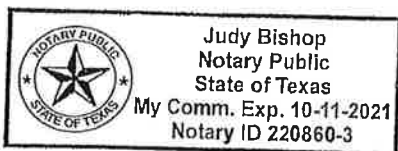


Patti Hurd
Notary Public for Idaho
Residing at Jerome IDAHO
My commission expires 11/02/2019

STATE OF TEXAS)
COUNTY OF DALLAM) ss.

On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Idaho, personally appeared Kathryn S. Cover a/k/a Kathryn Cover as Trustee of the John W. Cover Estate Trust created pursuant to that certain will and testament of John W. Cover dated July 21, 1993, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

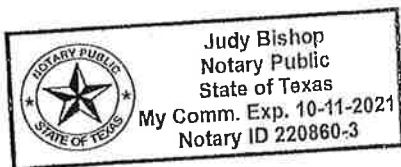


Judy Bishop
Notary Public for Texas [state]
Residing at Dalhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

(RCS) On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Elizabeth K. Cover, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

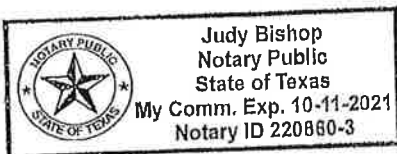


Judy Bishop
Notary Public for Texas [state]
Residing at Dallhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

(JCS) On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Katheryn S. Cover, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

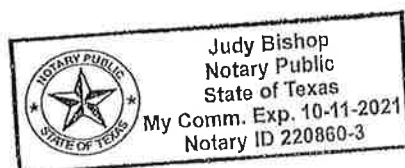


Judy Bishop
Notary Public for Texas [state]
Residing at Dallhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

(JCS) On this 23rd day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Andrew B. Cover, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

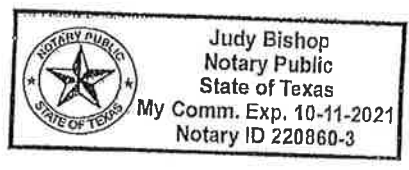


Judy Bishop
Notary Public for Texas [state]
Residing at Dallhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

(JCB) On this 27th day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Susan Clements, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.

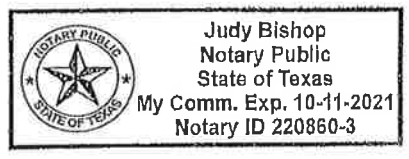


Judy Bishop
Notary Public for Texas [state]
Residing at Dallhart, Texas 79022
My commission expires 10-11-2021

STATE OF TEXAS)
) ss.
COUNTY OF DALLAM)

(JCB) On this 27th day of July, 2018, before me, Judy Bishop, a Notary Public in and for the State of Texas, personally appeared Travis Clements, known or identified to me to be a partner of Cover Farms, A Texas Partnership, or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation 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.



Judy Bishop
Notary Public for Texas [state]
Residing at Dallhart, Texas 79022
My commission expires 10-11-2021

Exhibit A (Real Property Description)

Tract I

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

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

Section 10: SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THEREFROM A parcel of land located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, more particularly described as follows:

Commencing at the West One Quarter corner of said Section 10 from which the Northwest corner of said Section 10 bears North 00°13'04" West, 2639.62 feet;
Thence North 00°13'04" West along the West boundary of the NW $\frac{1}{4}$ of Section 10 for a distance of 327.65 feet to the center of an irrigation lateral and being THE TRUE POINT OF BEGINNING;
Thence continuing North 00°13'04" West along the West boundary of the NW $\frac{1}{4}$ of Section 10 for a distance of 386.60 feet;
Thence North 89°46'56" East for a distance of 233.00 feet;
Thence South 00°13'04" East parallel with the West boundary of the NW $\frac{1}{4}$ of Section 10 for a distance of 353.47 feet to a point in the center of the irrigation lateral, said point being on the arc of a curve right;
Thence Southwesterly along the center of the irrigation lateral and along the arc of the curve right for a distance of 62.77 feet, said arc having a radius of 200.00 feet and a chord bearing and distance of South 75°04'47" West, 62.51 feet;
Thence South 84°04'11" West along the center of the irrigation lateral for a distance of 173.40 feet to THE TRUE POINT OF BEGINNING.

Tract II

PARCEL NO. 1

TOWNSHIP 5 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 5: That part of Government Lot 4 described as follows:

Commencing at a 1/2 inch steel pin with an orange plastic cap imprinted PLS 889 marking the Northwest corner of said Lot 4;
Thence along the North line of said Lot 4, South 89°47'39" East, a distance of 1326.21 feet to a 1/2 inch steel pin marking the Northeast corner of said Lot 4, being also THE POINT OF BEGINNING of this land description;
Thence along the East line of said Lot 4, South 00°10'10" West, a distance of 466.50 feet (South 466 feet 6 inches, Record);
Thence parallel to the North line of said Lot 4, North 89°47'39" West, a distance of 469.58 feet (West 469 feet 7 inches, Record);
Thence parallel to the East line of said Lot 4, North 00°10'10" East, a distance of 466.50 feet (North 466 feet 6 inches, Record) to the North line of said Lot 4;
Thence along the North line of said Lot 4, South 89°47'39" East, a distance of 469.58 feet (East 469 feet 7 inches, Record) to THE POINT OF BEGINNING.

PARCEL NO. 2

TOWNSHIP 5 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 5: That part of Government Lot 4 described as follows:

Commencing at a 1/2 inch steel pin with an orange plastic cap imprinted PLS 889 marking the Northwest corner of said Lot 4, being also THE POINT OF BEGINNING of this land description;
Thence along the North line of said Lot 4, South 89°47'39" East, a distance of 856.63 feet;
Thence parallel to the East line of said Lot 4, South 00°10'10" West, a distance of 466.50 feet;
Thence parallel to the North line of said Lot 4, South 89°47'39" East, a distance of 469.58 feet to the East line of said Lot 4;
Thence along the East line of said Lot 4, South 00°10'10" West, a distance of 287.01 feet to a point from which a 1/2 inch rebar with a plastic cap imprinted PLS 9858 bears South 87°27' at a distance of 25.0 feet;
Thence South 87°26'42" West, a distance of 282.00 feet to a 1/2 inch rebar with a plastic cap imprinted PLS 9858;
Thence South 00°24'53" West, a distance of 565.59 feet to a 1/2 inch rebar with a plastic cap imprinted PLS 9858 marking the intersection with the South line of said Lot 4;
Thence along the South line of said Lot 4, North 89°58'05" West, a distance of 1041.53 feet to a 1/2 inch rebar;
Thence North 00°08'41" East, a distance of 1335.85 feet to THE POINT OF BEGINNING.

PARCEL NO. 3

TOWNSHIP 5 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 6: Part of Government Lots 1 and 2, more particularly described as follows:

Commencing at the Northeast corner of said Section 6 and being also the TRUE POINT OF BEGINNING;
 Thence along the East line of said Government Lot 1, South 00°06'39" West, a distance of 1335.75 feet to the Southeast corner of said Lot 1;
 Thence along the South line of said Government Lots 1 and 2, North 89°42'46" West, a distance of 1808.26 feet to the center of a slough;
 Thence along the center of said slough the following bearings and distances:
 North 23°02'04" West, a distance of 340.35 feet;
 Thence North 32°48'15" West, a distance of 103.03 feet;
 Thence North 47°01'12" East, a distance of 156.75 feet;
 Thence South 82°53'40" East, a distance of 99.20 feet;
 Thence North 54°16'25" East, a distance of 68.38 feet;
 Thence North 48°53'43" East, a distance of 144.38 feet;
 Thence North 28°27'06" East, a distance of 201.93 feet;
 Thence North 37°25'06" East, a distance of 118.26 feet;
 Thence North 03°10'34" East, a distance of 96.03 feet;
 Thence North 30°53'37" East, a distance of 102.67 feet;
 Thence North 19°23'40" East, a distance of 75.71 feet;
 Thence North 33°55'43" East, a distance of 179.55 feet;
 Thence North 31°27'45" East, a distance of 32.57 feet to the North line of said Lot 1;
 Thence along the North line of said Lot 1, South 89°43'01" East, a distance of 1253.95 feet to THE POINT OF BEGINNING.

Tract III

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 32: A parcel of land located in the NW¼NE¼, more particularly described as follows:

Commencing at the North One Quarter (N¼) corner of said Section 32, from which the Northeast corner of Section 32 bears South 89°46'08" East, 2673.99 feet;
 Thence from the North One Quarter (N¼) corner of Section 32 on a bearing of South 89°46'08" East along the North boundary of the NE¼ of Section 32 for a distance of 196.41 feet to THE TRUE POINT OF BEGINNING;
 Thence continuing South 89°46'08" East along the North boundary of the NE¼ of Section 32 for a distance of 1140.58 feet to the Northeast corner of the NW¼NE¼ of Section 32;
 Thence South 00°05'14" East along the East boundary of the NW¼NE¼ of Section 32 for a distance of 1325.42 feet to the Southeast corner of the NW¼NE¼ of Section 32;
 Thence North 89°49'18" West along the South boundary of the NW¼NE¼ of Section 32 for a distance of 1332.66 feet to the Southwest corner of the NW¼NE¼ of Section 32;
 Thence North 00°16'27" West along the West boundary of the NW¼NE¼ of Section 32 for a distance of 200.00 feet;
 Thence North 23°07'11" East for a distance of 494.66 feet;
 Thence North 00°16'27" West parallel with the West boundary of the NE¼ of Section 32 for a distance of 670.95 feet to THE TRUE POINT OF BEGINNING.

SUBJECT TO:

1. A 25.0 foot wide county road easement along the North boundary of the before described parcel.

Tract IV

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 32: A parcel of land located in the SW¼NE¼, more particularly described as follows:

Commencing at the West One Quarter (W¼) corner of said Section 32 from which the Northwest corner of said Section 4 bears North 00°20'22" West 2647.02 feet;
 Thence South 89°52'28" East along the South boundary of the NW¼ of said Section 4 for a distance of 2655.25 feet to the Southwest corner of the NE¼ of said Section 32 and being the TRUE POINT OF BEGINNING;
 Thence North 00°16'27" West along the West boundary of the NE¼ of said Section 32 for a distance of 1326.68 feet to the Northwest corner of the W¼SW¼NE¼ of said Section 32;
 Thence South 89°49'18" East along the North boundary of the W¼SW¼NE¼ of said Section 32 for a distance of 666.33 feet to the Northeast corner of the W¼SW¼NE¼ of said Section 32;
 Thence South 00°10'51" East along the East boundary of the W¼SW¼NE¼ of said Section 21 for a distance of 1326.05 feet to the Southeast corner of the W¼SW¼NE¼ of said Section 21;
 Thence North 89°52'28" West along the South boundary of the NE¼ of said Section 21 for a distance of 664.16 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH:

A 30.0 foot wide access and utility easement, said easement being on, over, under and across a 30.0 foot wide strip of land that is encompassed by the following described boundary:

Commencing at the Southwest corner of the before described parcel (C¼ Section 21) and being the TRUE POINT OF BEGINNING:
 Thence South 00°16'27" East along the East boundary of the SW¼ of said Section 21 for a distance of 30.00 feet;
 Thence North 89°52'28" West parallel with the North boundary of the SW¼ of said Section 21 for a distance of 1328.31 feet to a point on the West boundary of the NE¼SW¼ of said Section 21;

Thence North 00°15'09" West along the West boundary of the NE¼SW¼ of said Section 21 for a distance of 30.00 feet to the Northwest corner of the NE¼SW¼ of said Section 21;
Thence South 89°52'28" East along the North boundary of the NE¼SW¼ of said Section 21 for a distance of 1328.32 feet to the TRUE POINT OF BEGINNING.

TRACT V

PARCEL NO. 1:

TOWNSHIP 4 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 9: NE¼SW¼; NW¼SE¼;

PARCEL NO. 2:

TOWNSHIP 4 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 16: NE¼;

Section 17: NE¼;

Section 32: E¼NE¼; E¼SW¼NE¼; SE¼;

TOWNSHIP 5 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 4: Part of Lot 4, described as follows:

Commencing at a spike nail marking the Northwest corner of said Lot 4, being also the POINT OF BEGINNING;
Thence along the North line of said Lot 4, South 89°52'17" East, a distance of 1329.39 feet to a ½ inch steel pin with a cap stamped LS-884 marking the Northeast corner of said Lot 4;
Thence along the East line of said Lot 4, South 00°21'34" West, a distance of 723.03 feet to a MagNail with washer stamped LS 9858 on the Northerly line of a parcel of land conveyed to the State of Idaho by Quitclaim Deed recorded in the Lincoln County Courthouse as Instrument Number 151538, being also the beginning of a non-tangent curve concave to the Northwest having a radius of 5629.19 feet, a central angle of 2°01'02" and being subtended by a chord which bears South 65°22'00" West, 198.18 feet;
Thence along the Northerly line of said State of Idaho parcel and Southwesterly along said curve, a distance of 198.19 feet to the Point of Tangency, from which an iron pin with aluminum cap stamped "Idaho Trans Dept" bears North 55°36'40" East at a distance of 0.7 feet;
Thence continuing along the Northerly line of said State of Idaho parcel, South 66°22'31" West tangent to said curve, a distance of 1256.08 feet to a ½ inch rebar with cap stamped PLS 9858 on the West line of said Lot 4;
Thence along the West line of said Lot 4, North 00°15'59" East, a distance of 1311.98 feet to THE POINT OF BEGINNING.

TOWNSHIP 5 SOUTH, RANGE 19, EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO

Section 5: Lots 1, 2 and 3, and that part of the SE¼NE¼, described as follows:

Commencing at the Northeast corner of said SE¼NE¼;
Thence West along the North line of said 40 acres 1320 feet to the Northwest corner thereof;
Thence South 568 feet;
Thence diagonally in a Northeasterly direction 1413 feet to THE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion conveyed to the State of Idaho for highway purposes as set forth in Deed recorded November 10, 1934 in Book 37 Page 363, Lincoln County records.

PARCEL NO. 3:

INTENTIONALLY DELETED

PARCEL NO. 4:

TOWNSHIP 4 SOUTH, RANGE 19 EAST OF THE BOISE MERIDIAN, LINCOLN COUNTY, IDAHO.

Section 9: SE¼SW¼; and S¼SE¼



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

August 10, 2018

CAPITAL FARM CREDIT
3000 BRIARCREST DR STE 601
BRYAN TX 77802

RE: Notice of Security Interest for Water Right Nos: 37-10431, 37-10432, and 37-10434

Dear Party Holding Security Interest:

The Department of Water Resources acknowledges receipt of correspondence adding security interest of the above referenced water rights to you. The department has modified its records to reflect the change in security interest and has enclosed a computer-generated report for your records.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing an ownership change notice, the department does not review the history of water use to determine if the right has been forfeited through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

Please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owner of a water right to the department. Notice of the change must be provided to the department within 120 days of the change. Change reporting forms are available from any office of the department or online www.idwr.idaho.gov.

Please feel free to contact this office if you have any questions regarding this matter.

Sincerely,

Debbi Judd
Technical Records Specialist

Enclosures

c: Cover Farms, a Texas general partnership
Hawley Troxell



ATTORNEYS AND COUNSELORS

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SARAH ZELLER
LEGAL ADMINISTRATIVE ASSISTANT
EMAIL: SZELLER@HAWLEYTROXELL.COM
DIRECT DIAL: 208-388-4924

RECEIVED

AUG 06 2018

DEPARTMENT OF
WATER RESOURCES

August 6, 2018

Idaho Department of Water Resources
322 East Front St., 6th Floor
Boise, ID 83720-0098

Re: *Notice of Change in Water Right Ownership / Notice of Security Interest in a
Water Right No.'s: 37-10431, 37-10432 & 37-10434*

Dear Sir/Madam:

Enclosed for filing is a Notice of Change in Water Right Ownership and Notice of Security Interest in a Water Right and supporting materials regarding the above-referenced numbers. Additionally, two checks in the amount of \$75.00 each for payment of the filing fee. Please contact us with any questions or concerns. Thank you.

Regards,

HAWLEY TROXELL ENNIS & HAWLEY LLP

Sarah Zeller
Legal Administrative Assistant

SZ: