

RECEIVED
JUN 04 2018
Department of Water Resources
Eastern Region

STATE 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.
	SEE ATTACHED			

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

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

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

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

Rabo AgriFinance LLC

c/o Roger Becker, Senior Special Assets Manager

1910 S. Stapley Dr., Suite 205

Mesa, AZ 85204

Phone 480-497-3068

Email Roger.Becker@raboag.com

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

BLF LAND LLC

5. Expiration Date of Notification Period

June 1, 2020

6. Is this a Renewal of Request for Notification?

☐ YES

☒ NO

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

By:

Title, if applicable

Roger Becker, Senior Special Assets Manager

For Office Use Only

Received by [Signature]

Date June 4, 2018

Receipt No. E044074

Fee \$1600.-

Processed by AJ

Date

WR [Signature]

Date

6/14/2018

SUPPORT DATA

IN FILE # 21-13104

NOTICE OF SECURITY INTEREST IN A WATER RIGHT

ATTACHMENT

Copy of Mortgage Recorded on May 9, 2018 as Instrument #436933 in Jefferson County, Idaho, and also Recorded on May 9, 2018 as Instrument No. 568420 in Fremont County, Idaho

See Exhibit B of the Mortgage for the list of Water Rights and Claim Numbers to which this Notice of Security Interest in a Water Right filed by Rabo AgriFinance LLC applies.

FIRST AMERICAN TITLE

672550-RI

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Douglas M. Monson
Ray Quinney & Nebeker P.C.
36 South State Street, Suite 1400
Salt Lake City, UT 84111
(801) 532-1500

Instrument # 436933
RIGBY, JEFFERSON, IDAHO
05-09-2018 04:32:17 PM No. of Pages: 20
Recorded for: FIRST AMERICAN TITLE - RIGBY
COLLEEN C POOLE Fee: \$45.00
Ex-Officio Recorder Deputy: LK
Index To: MORTGAGE & FIXTURE FILING
Electronically Recorded by Simplifile

MORTGAGE

(Secures Future Advances and Includes an Assignment of Rents, a Security Agreement and Fixture Filing)

THIS MORTGAGE (this "**Mortgage**") made as of May __, 2018, is between BLAINE LARSEN FARMS, INC., an Idaho corporation, and BLF LAND, LLC, an Idaho limited liability company (collectively "**Mortgagor**", whether one or more, which designation shall include successors in interest), and RABO AGRIFINANCE LLC, a Delaware limited liability company f/k/a RABO AGRIFINANCE, INC., a Delaware corporation, whose address is 14767 N Outer 40 Road, Suite 400, Chesterfield, Missouri 63017, as a Lender (as defined below), and in its capacity as the agent for the Lenders (in such capacity, the "**Agent**").

WITNESSETH, THAT WHEREAS Mortgagor and other co-borrowers (sometimes referred to collectively as "**Borrower**") have entered into a Loan and Security Agreement with Agent and the financial institutions party thereto (the "**Lenders**"), which term, for the purposes hereof shall include "**Issuer**" (as such term is defined in the Loan Agreement) dated as of May 22, 2015 (as the same may be amended, replaced, restated and/or supplemented from time to time, the "**Loan Agreement**"), which Loan Agreement entitles Borrower to borrow principal sums and to obtain letters of credit from the Lenders up to and including the amount of TWO HUNDRED TWENTY FIVE MILLION DOLLARS (\$225,000,000.00), which amount is and shall be evidenced by the promissory notes of Borrower executed on the date of the Loan Agreement and to be executed from time to time thereafter (collectively, the "**Notes**"), with interest thereon and payable according to the terms thereof, with maturity dates according to the terms thereof, with an original outside maturity date of June 1, 2020 (which outside maturity date may be extended from time to time in accordance with the terms of the Loan Agreement).

NOW THEREFORE, Mortgagor, in consideration of these premises, and to secure the performance of the Loan Agreement and the prompt payment of the Notes, including future advances, and any other sums that may be added to the principal of the Notes pursuant to the Loan Agreement and under the terms of this Mortgage, all other Liabilities (as defined in the Loan Agreement, including but not limited to Bank Products Obligations and Swap Obligations (each as defined in the Loan Agreement)) together with interest thereon and any sums advanced or expended by Agent in protection or enforcement of its interests hereunder and to secure any other present or future indebtedness of Borrower to the Agent and the Lenders, and to secure the prompt performance of all promises, conditions and covenants related thereto, does hereby grant, mortgage, warrant, convey, pledge and hypothecate unto Agent and its successors and assigns forever, for the ratable benefit of Lenders the hereinafter described real property (the "**Land**"), situated in Jefferson County and Fremont County, all in the State of Idaho, to wit:

Instrument No. 568420
09 Day May 2018
At 04 O'Clock 33 M
ABBIE MACE
FREMONT CO RECORDER
Fee \$45.00
EL Deputy
Recorded at Request of
First American Title - Rigby

FIRST AMERICAN TITLE

672550-RT

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Douglas M. Monson
Ray Quinney & Nebeker P.C.
36 South State Street, Suite 1400
Salt Lake City, UT 84111
(801) 532-1500

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FIRST AMERICAN TITLE

672550-RI

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WHEN RECORDED RETURN TO:

Douglas M. Monson
Ray Quinney & Nebeker P.C.
36 South State Street, Suite 1400
Salt Lake City, UT 84111
(801) 532-1500

Recorded Electronically	
ID	568420
County	Fremont
Date	5.9.18
Time	4:33
Simplifile.com 800.460.5657	

Recorded Electronically	
ID	436933
County	Jefferson
Date	5.9.18
Time	4:32
Simplifile.com 800.460.5657	

MORTGAGE

(Secures Future Advances and Includes an Assignment of Rents, a Security Agreement and Fixture Filing)

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That property more particularly described in Exhibit A attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenances thereunto belonging, including without limitation, the following, whether now leased, owned, or hereafter acquired (a) any and all improvements, tenements, buildings, easements, fixtures, privileges, reservations, allowances hereditaments and appurtenances, now or hereafter belonging or pertaining to the Land; (b) all of Mortgagor's right, title and interest in any land lying between the boundaries of the Land and the center line of any adjacent street, road, avenue or alley, whether existing or proposed; (c) all oil, gas, minerals, crops, timber, trees, shrubs, flowers and landscaping plants and materials now or hereafter located on, under or above the Land; (d) all plats, surveys, soil and engineering data, plans and specifications, drawings, renderings, profiles, shop drawings and all development rights associated with the Land, now existing or hereafter transferred to the Land from other real property; (e) all awards and payments, including without limitation, interest payments, resulting from the exercise of any right of condemnation or eminent domain or from any other public or private taking of, injury to or decrease in the value of, any of the Land; (f) all water, rights to water and water rights, ditches and ditch rights, wells and well rights (specifically including, but not limited to, the Water Rights as defined in the Loan Agreement and as set forth on Exhibit B), springs and spring rights and reservoirs and reservoir rights appurtenant to, transferred to, or historically used in connection with the Land and all of Mortgagor's rights and interests under applicable state or federal law to all unappropriated water contained in or available from any part of the water bearing formations underlying the Land, together with all associated easements and rights-of-ways; (g) any and all of Mortgagor's right, title and interest in water taps purchased or available for purchase from any water provider or any other person; (h) all of the rents, income, receipts, revenues, royalties, issues and profits of or from the Land and the improvements located thereon (collectively, the "**Rents**"); (i) any and all rights and estates in reversion or remainder; (j) all interest of Mortgagor in and to any insurance proceeds, or any causes of action, damages or recoveries relating to the Land; and (k) any and all other rights and interest of every kind and nature in all property, whether real or personal, forming a part of or used in connection with the Land and the construction, operation and convenience of the improvements located thereon, including without limitation, all machines, machinery, fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation; all building materials, supplies and equipment located on the Land and intended to be incorporated into the improvements thereon, whether or not affixed; all floor coverings, screens, draperies, partitions, furniture and furnishings; all architects', contractors' and suppliers' agreements and contracts and all plans and specifications relating to the construction of improvements; and all headgates, flumes, wells, well equipment, pumps, pumping equipment, pumping accessories, sprinkler systems, and fences (the Land, together with the rights listed in (a) through (k) of this paragraph, collectively are the "**Property**"). Without detracting from the foregoing, this Mortgage shall constitute an assignment of all Mortgagor's right, title and interest in and to appurtenant contracts, if any.

The word "**indebtedness**" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of Borrower, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute

or contingent, liquidated or unliquidated, determined and undetermined, and whether Borrower may be liable, individually or jointly.

Amendments, renewals, extensions, modifications and substitutions of and for indebtedness, including without limitation the Notes, may be made by the Agent and the Lenders pursuant to the terms of the Loan Agreement and upon such terms and conditions and with such modifications and changes, including without limitation, changes in the interest or discount rate, as the Agent and the Lenders may see fit in accordance with the Loan Agreement, and in the event and to the extent that Mortgagor is not the obligor of any such indebtedness, such amendments, renewals, extensions, modifications and substitutions may be made at any time and from time to time without further notice to or consent from Mortgagor. Agent may enter into any agreement with Borrower or any other obligor or guarantor, or may release or discharge any obligor or guarantor from any indebtedness, without notice to or consent of Mortgagor, and without releasing or compromising this Mortgage or releasing or discharging any Mortgagor not specifically released or discharged in writing. If the ownership of the Property becomes vested in a person or persons other than Mortgagor, Agent may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage, the indebtedness secured hereby and the Property in the same manner as if such person or persons were Mortgagor, without in any way releasing or discharging Mortgagor.

Upon a "**Matured Default**" (as such term is defined in the Loan Agreement), Agent, at its option, shall have the power to foreclose in the manner otherwise provided for mortgages, and to the fullest extent permitted by applicable law, Mortgagor waives any rights of redemption and/or appraisement as to any sale or foreclosure.

Agent or its representatives and agents are specifically authorized to bid at any foreclosure sale held and any bid by Agent may take into consideration anticipated taxes, assessments, insurance premiums, utilities, maintenance costs, repairs, title expense, the cost of any appraisal, the cost of satisfying senior indebtedness and the then going real estate agent's commission, all or any of which may be incurred during the period of redemption or in order to subsequently sell or otherwise dispose of the Property after the issuance of a deed, and such amounts shall not be deemed an overplus distributable to junior lienors or Mortgagor.

As may be permitted by law, after deducting all costs, fees and expenses of sale, the proceeds of sale shall be applied to payment of (i) all sums expended under the terms hereof, not then repaid, with accrued interest at the maximum rate provided by the Loan Agreement and Notes, (ii) all other sums then secured hereby, and (iii) the remainder, if any, to the person or persons legally entitled thereto.

BORROWER AND MORTGAGOR EXPRESSLY COVENANT AND AGREE:

1. Payment of Indebtedness. To pay all and singular of the principal and interest and other sums of money payable by virtue of the Loan Agreement, Notes or other indebtedness secured under the terms and conditions of this Mortgage, on the days respectively that the same severally become due.

2. Performance of Obligations. To perform each and every stipulation, agreement and condition of the Loan Agreement, Notes, or any other document or instrument evidencing indebtedness secured hereby, and of this Mortgage.

3. Insurance. To maintain, or cause to be maintained, insurance on the Property, in each case, for the benefit of the Agent, for the ratable benefit of the Lenders, as follows:

a. All-risk builders risk insurance (non-reporting form) during the construction of any improvements on the Land or to the Property (referred to in this paragraph 3 as the "**Improvements**") in an amount equal to one hundred percent (100%) of the replacement cost of the Improvements, providing all-risk coverage on the Improvements and the materials stored on the Property and elsewhere, and including the perils of collapse, water damage and, if requested by Agent, flood, business interruption, permission to occupy, interest costs and other risks;

b. All-risk casualty insurance after the completion of the construction of each of the Improvements, in an amount at least equal to one hundred percent (100%) of the replacement cost of such Improvements with an agreed amount endorsement, providing all-risk coverage on the Improvements, and including the perils of business interruption or loss of rents for a period of not less than twelve (12) months, boiler/machinery coverage, and other risks;

c. Workers' Compensation Insurance for Contractors for statutory limits;

d. Flood hazard coverage for any portion of the Property that is located in an identified flood hazard area by any "Governmental Authority" (as defined in the Loan Agreement); and

e. Such other insurance as is required in the Loan Agreement.

The permanent all-risk casualty insurance as described in item (b) above, shall be provided on a building by building basis as the construction of each building is completed and a certificate of occupancy or equivalent is issued with respect thereto; provided that there shall be no lapse in the insurance coverage and the Improvements must at all times be covered by either builder's risk or permanent all-risk casualty insurance. All of the insurance policies described above shall be "occurrence" based policies, issued on forms, by companies and in amounts satisfactory to Agent. At the request of the Agent, Mortgagor shall deliver or cause to be delivered to Agent certificates of insurance naming Agent as mortgagee and additional loss payee and copies of the insurance policies. Regardless of the failure of the certificates of insurance or policies to strictly comply with the terms and provisions of this Mortgage, the Agent's interest in and lien upon the policies and their proceeds shall continue unimpaired.

In the event of any loss covered by any policy on the Improvements, the carrier named in such policy is and shall, at the request of the Agent, be directed by Mortgagor to make payment for such loss to Agent and not to Mortgagor, or to Mortgagor and Agent jointly. Notwithstanding the foregoing, Agent shall disburse the net amount of any such insurance proceeds to Mortgagor for application to the costs of repair, rebuilding, or restoration of the Improvements to as good or better condition as such Improvements were in immediately prior to any casualty on account of which such amounts are paid (the "**Restoration**"), provided that the following conditions have been satisfied in Agent's sole discretion: (i) Agent shall have determined that the Improvements can be restored to as good or better condition as such Improvements were in immediately prior to

the casualty on account of which such amounts are paid, prior to the earliest "**Maturity Date**" of the Notes (as defined in the Loan Agreement); (ii) Agent shall have determined that such net amounts (together with any equity funds of Mortgagor deposited by Mortgagor with Agent) shall be sufficient to complete the Restoration; and (iii) no Matured Default shall have occurred.

Any insurance proceeds which are to be disbursed by Agent and applied to the Restoration (together with any equity funds of Mortgagor deposited by Mortgagor with Agent) shall be held and disbursed by Agent upon such terms and conditions as would be required by a prudent interim construction lender and in accordance with the disbursement procedures, terms and conditions set forth in the Loan Agreement. Any reduction in the indebtedness secured hereby resulting from Agent's application of any sums received by it hereunder shall take effect only when Agent actually receives such sums and, in any event, the unpaid portion of the indebtedness secured hereby shall remain in full force and effect and Mortgagor shall not be excused in the payment thereof. Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by Agent to confirm the foregoing assignment to Agent of any award, damage, insurance proceeds, payment or other compensation. Agent is hereby irrevocably constituted and appointed the attorney-in-fact of Mortgagor (which power of attorney shall be irrevocable, shall be deemed coupled with an interest, shall survive the voluntary or involuntary dissolution of Mortgagor and shall not be affected by any disability or incapacity suffered by Mortgagor subsequent to the date hereof), with full power of substitution, subject to the terms of this section, to settle for, collect and receive any such awards, damages, insurance proceeds, payments or other compensation from the parties or authorities making the same, to appear in and prosecute any proceedings therefor and to give receipts and acquittance therefor; provided, however, that Agent will not exercise such power so long as no Matured Default shall have occurred.

The net amount of any sums received by Agent under this section in excess of the amount necessary to complete the Restoration may, at the option of Agent, be applied to the outstanding secured indebtedness, in such order as Agent may determine in its sole discretion.

4. Advances for Taxes, Insurance or Prior Encumbrances. If for any reason Mortgagor fails to insure and deliver the policies and certificates of insurance or to pay promptly all taxes, assessments, levies, water rents, insurance premiums, and any amount due upon prior encumbrances, if any, Agent may, but shall not be obligated to, procure the insurance or pay such taxes, assessments, levies, water rents, insurance premium and amount due on the prior encumbrance, regardless of whether to prevent default, cure any default or redeem the Property from foreclosure or sale.

5. Title to Property. Mortgagor warrants title to the Property is free and clear of all liens and encumbrances, except those listed on Exhibit C, attached hereto and made a part hereof (the "**Permitted Exceptions**"). To the fullest extent permitted by applicable law, Mortgagor waives the homestead exemption and all other exemptions available to Mortgagor by statute or otherwise, whether now vested or to be acquired.

6. Preservation of Property. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter comprising a part of the Property that may be damaged or destroyed which is not fully covered by insurance as required herein; (b) keep the Property in good condition and repair, without waste, and free from mechanics', materialmen's or

like liens or claims or other liens or claims for lien; (c) comply with all requirements of law, rule and regulation and with restrictions of record with respect to the Property and the use thereof; (d) suffer or permit no change in the general nature of the proposed use of the Property without Agent's prior consent; and (e) suffer or commit no waste, impairment or deterioration of the Property and, regardless of natural depreciation, to keep the Property and the improvements thereon at all times in good condition and repair. Mortgagor shall pay when due all utility charges which are incurred by Mortgagor for gas, electricity, water and sewer services furnished to the Property and all other assessments or charges of a similar nature, or assessments payable pursuant to any restrictive covenants, whether public or private, affecting the Property, whether or not such assessments or charges are or may become liens thereon. In the event of any failure of Mortgagor to so protect and preserve the Property, Agent, at Mortgagor's cost and expense, may take whatever actions, and expend such sums, as Agent may deem required to protect and preserve the Property.

7. Inspection. Agent shall have the right to have its authorized representative or representatives enter upon and inspect the Property at all times, after notice of the inspection has been given to Mortgagor.

8. Environmental Matters. Except as disclosed to Agent in the Loan Agreement, Mortgagor warrants that: (a) no notice has been received to the effect that, or Mortgagor has no knowledge that, the Property or its operations is not in compliance with any of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations ("Environmental Laws") or is the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the Property; (b) there have been no releases of hazardous materials at, on or under the Property that, singly or in the aggregate, have, or may reasonably be expected to have, a material adverse effect on the Property; (c) there are no underground storage tanks, active or abandoned, including without limitation petroleum storage tanks, on or under the Property that, singly or in the aggregate, have, or may reasonably be expected to have, a material adverse effect on the Property; and (d) no conditions exist at, on or under the Property which, with the passage of time, or the giving of notice or both, would give rise to any material liability under any Environmental Laws. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration, detoxification, closure, or other remedial work of any kind or nature ("Remedial Action") is required under any Environmental Law or is reasonably determined by Agent to be necessary due to the current or future presence, suspected presence, release or suspected release of a hazardous material on, under, in or about the Property, within thirty (30) days after written demand for performance thereof by Agent (or such shorter period of time as may be required under any Environmental Law) Mortgagor shall commence to perform, or cause to be commenced, and thereafter diligently prosecute to completion in accordance with applicable law, all such Remedial Action within any time limits provided in any Environmental Law or by order of any court or Governmental Authority, or if no such reasonable period of time is provided within such time as is approved by Agent. All Remedial Action shall be performed by one or more contractors and/or engineers retained by Mortgagor and approved in advance in writing by Agent, which approval shall not be unreasonably withheld, and shall be under the supervision of one or more consulting engineer(s) retained by Mortgagor and approved in advance in writing by Agent, which approval shall not be unreasonably withheld. In the event Mortgagor shall fail timely to commence or cause to be commenced or fail diligently to prosecute to completion such Remedial Action, Agent may,

but shall not be obligated to, cause such Remedial Action to be performed, and all costs and expenses (including, without limitation, reasonable attorneys' fees) thereof or incurred by Agent in connection therewith shall be paid by Mortgagor.

9. Restriction on Transfer; Effect of Transfer. It shall be an immediate default hereunder, at the option of Agent, if, without the prior consent of Agent, Mortgagor shall, either directly or indirectly, create, effect or consent to, or shall suffer or permit, any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Property or any part thereof or interest therein; provided, however, that the foregoing provisions of this Paragraph 9 shall not apply to (a) liens securing the indebtedness to the Lenders; (b) the lien of current taxes and assessments not in default; (c) the Permitted Exceptions; or (d) to the extent otherwise permitted in the Loan Agreement. In the event of any sale or transfer of the title to the Property, should Agent not exercise its option to accelerate the indebtedness secured hereby, the purchaser or new owner shall be deemed to have assumed and agreed to pay the indebtedness secured hereby and promptly perform the terms of this Mortgage and all promises, conditions and covenants related thereto, jointly and severally with Mortgagor, whether or not the instrument evidencing such sale or transfer expressly so provides, and this covenant shall run with the Land and remain in full force and effect until the indebtedness is paid in full. The provisions of this Paragraph 9 shall be operative with respect to, and shall be binding upon, any persons who shall acquire any part of, interest in or encumbrance upon the Property. Mortgagor agrees that the making of any oil, gas or mineral lease or the sale or conveyance of any mineral interest or right to explore for minerals under through or upon the Property would impair the value of the Property; and that Mortgagor shall have no right, power or authority to lease the Property, or any part thereof, for oil, gas or other mineral purposes or to grant, assign or convey any mineral interest of any nature, or the right to explore for oil, gas and other minerals, without first obtaining from Agent express written permission therefor. Except as otherwise provided in the "Plans" (as defined in the Construction Lending Protocol attached to the Loan Agreement), Mortgagor shall not grant any easement or right-of-way with respect to all or any portion of the Property without the prior written consent of Agent, which shall not be unreasonably withheld.

10. Sums Expended by Agent. Mortgagor shall be liable to Agent for any expenditure made by Agent, including without limitation, court or alternative dispute resolution costs and reasonable attorneys' fees, pursuant or incidental to this Mortgage or the exercise of the rights and remedies given it under this Mortgage, which sums shall bear interest at the rate provided in the Notes. Such sums shall be due and payable upon demand, shall be so much additional indebtedness secured by this Mortgage, shall be a lien on the Property, and shall be paid out of the proceeds of the sale of the Property, if not otherwise paid by Mortgagor.

11. Litigation Relating to Property. Agent shall have the right, but no obligation, to file and defend suits at the expense of Mortgagor and in Mortgagor's name relating to the Property or the lien created by this Mortgage or to preserve its rights pursuant to this Mortgage, but shall incur no personal liability by its acts or omissions in relation to such proceedings.

12. Zoning; Special Districts. Without the prior written consent of Agent, Mortgagor shall not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Property. Mortgagor shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Property. Mortgagor shall

comply with all existing and future requirements of all Governmental Authorities having jurisdiction over the Property. If, under applicable zoning provisions, the use of all or any part of the Property is or becomes a nonconforming use, Mortgagor shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Agent. Mortgagor will take no action to include or permit the Property to be included within the boundaries or subject to the powers of any quasi-governmental entity, including without limitation, any special improvement district, metropolitan district, or special district, without the prior written consent of Agent, which shall not be unreasonably withheld or delayed.

13. Assignment of Rents and Leases. As further security for the indebtedness and the liabilities and obligations secured by this Mortgage, Mortgagor hereby absolutely and irrevocably grants, conveys, pledges, hypothecates, transfers and assigns unto Agent, for the ratable benefit of the Lenders, all Rents now or hereafter due or payable for the occupancy or use of the Property or any portion thereof, and all leases and subleases, whether written or oral, with all security therefor, including without limitation, all guaranties thereof, now or hereafter affecting the Property. This is a present and absolute assignment, not an assignment for security purposes only, and Agent's right to the Rents is not contingent upon, and may be exercised without possession of, the Property. Agent confers upon Mortgagor a license ("License") to collect and retain the Rents as they become due and payable, until the occurrence of a Matured Default. Mortgagor represents, warrants, and covenants to and with the Agent and the Lenders that (a) the Rents have not been sold, assigned, transferred or set over by an instrument now in force and will not at any time during the term of this assignment be sold, assigned, transferred or set over; and (b) Mortgagor has the right to sell, assign, transfer and set over the Rents and to grant to and confer upon Agent the rights, interests, powers and authorities granted and conferred by this Mortgage. Upon or at any time after the occurrence of a Matured Default, Agent may, at its option, without notice, and whether or not the indebtedness shall have been declared due and payable, either in person or by agent, or by a receiver to be appointed by a court, with or without bringing any action or proceeding (a) enter upon, take possession of, manage and operate the Property, or any part thereof (including without limitation, making necessary repairs, alterations and improvements to the Property); (b) make, cancel, enforce or modify leases; (c) obtain and evict tenants; (d) fix or modify Rents; (e) do any acts which Agent deems reasonably proper to protect the security of this Mortgage, and (f) either with or without taking possession of the Property, in its own name or in the name of Mortgagor, collect and receive all or any Rents, including without limitation, those past due and unpaid. Upon written notice from Agent, all tenants of and other obligors with respect to the Property hereby are directed by Mortgagor to pay promptly all Rents as they fall due to Agent without further notice from Mortgagor. In connection with the foregoing, Agent shall be entitled and empowered to employ attorneys and management, rental and other agents in and about the Property to effect the matters which Agent is empowered to do, and if Agent shall itself effect such matters, Agent shall be entitled to charge and receive such reasonable management, rental and other fees as may be customary in the area in which the Property is located; and the reasonable fees, charges, costs and expenses of Agent or such persons shall be so much additional indebtedness subject to the terms of this Mortgage. Agent may apply all funds collected as aforesaid, less costs and expenses of operation and collection, including without limitation, reasonable attorneys' and agents' fees, charges, costs and expenses, upon any indebtedness in accordance with the terms of the Loan Agreement. The entering upon and taking possession of the Property and the collection of Rents and the application thereof as set forth in this Mortgage shall not cure or waive any default or invalidate any act done by Agent.

14. Right to Possession and Receiver. Upon or at any time after the occurrence of a Matured Default, Agent shall at once become entitled to the possession, use and enjoyment of the Property, and to the Rents, from the date of such occurrence and continuing during the pendency of any foreclosure proceedings, and the periods of redemption, if any. Possession shall at once be delivered to Agent on request, and on refusal, the delivery of possession may be enforced by Agent by any appropriate civil suit or proceeding, and Agent shall be entitled to a receiver for the Property, and of the Rents, for and including without limitation, the time covered by any proceedings for sale or foreclosure and the applicable periods of redemption, if any. Agent shall be entitled to such receiver as a matter of right, without regard to the solvency or insolvency of Mortgagor, or of the then owner of the Property, and without regard to the value of the Property, and such receiver may be appointed by any court of competent jurisdiction upon ex parte application, and without notice, notice being expressly waived, and all Rents shall be applied by such receiver, after the payment of all costs to maintain and preserve the Property, to the payment of the indebtedness according to law and the orders and directions of a court of competent jurisdiction.

15. Mortgagee in Possession. Nothing contained in this Mortgage shall be construed as making Agent a mortgagee in possession.

16. Attorneys' Fees – Foreclosure. Mortgagor agrees to pay reasonable attorneys' fees for legal services incurred by Agent with respect to any action to collect the indebtedness or enforce the Notes or this Mortgage, including without limitation, any foreclosure proceedings, and such fees shall be allowed or taxed by the Court as part of the costs of foreclosure.

17. Deficiency; Rights Cumulative. To the extent permitted under applicable law, Agent shall retain the right to pursue and receive judgment for any deficiency balance remaining unpaid after foreclosure, and to exercise all other legal and equitable remedies for the collection of the indebtedness secured hereby; all rights and remedies of Agent are cumulative and may be exercised in any order.

18. Waivers. Any waiver of any right or remedy of Agent must be in writing. No waiver, express or implied, of the performance of any obligation, agreement or covenant hereof shall be deemed or taken to be a waiver of the strict performance of any other or future obligation, agreement or covenant hereof. No payment or advancement by Agent on behalf of Mortgagor shall be deemed a waiver of the breach occurring by reason of the failure of Mortgagor to make such payment or of the right to elect to foreclose this Mortgage. Any delay by Agent in exercising its rights and remedies under the Loan Agreement, Notes or this Mortgage shall not, even though such delay be repeated and extended, be construed as a waiver of the right of Agent to exercise any right or remedy given it in this Mortgage, in the Loan Agreement, Notes, by operation of law or otherwise.

19. UCC Security Agreement. This Mortgage constitutes a security agreement and a fixture filing under the Uniform Commercial Code of the State of Idaho (the “**Code**”) with respect to any part of the Property, which might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (for the purposes of this Paragraph 19 called “**Collateral**”). Mortgagor hereby grants to the Agent for the ratable benefit of the Lenders and the Issuer a security interest in the Collateral. All of the terms, provisions, conditions and agreements

contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property covered. The provisions of this Paragraph 19 shall not limit the generality or applicability of any other provision of this Mortgage, but shall be in addition thereto.

20. Successors and Assigns. It is further expressly understood and agreed that all covenants and agreements here described shall extend to and be binding upon the heirs, executors, legal representatives, successors and assigns (voluntary and involuntary by operation of law) of the respective parties hereto.

21. Severability. The unenforceability or invalidity of any provision hereof shall not render any other provision or provisions unenforceable or invalid.

22. Further Assurances. Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper, in the sole judgment of Agent, for the better assuring, conveying, mortgaging, assigning and confirming unto Agent all of the Property or property intended so to be, whether now owned by Mortgagor or hereafter acquired.

23. Headings. Headings are used in this Mortgage for convenience only and shall not be used to alter or interpret the terms and provisions of this Mortgage.

24. Counterparts. This Mortgage may be executed in counterparts, each of which shall be an original, and all of which, taken together, shall constitute the Mortgage.

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

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER IDAHO LAW.

[Signatures to follow on separate page.]

IN WITNESS WHEREOF, THIS MORTGAGE is executed as of the day and year first above written.

MORTGAGOR:

BLAINE LARSEN FARMS, INC.

By: Blaine Larsen
Name: Blaine Larsen
Its: President

BLF LAND, LLC

By: Blaine Larsen
Name: Blaine Larsen
Its: President/Manager

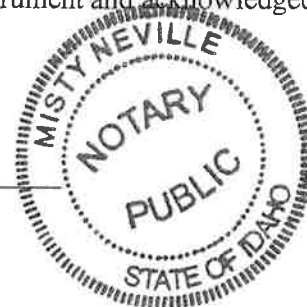
[Signature Page to Mortgage]

ACKNOWLEDGMENTS

STATE OF IDAHO)
 : SS
COUNTY OF Jefferson

On this 7th day of April, 2018, before me, the undersigned Notary Public in and for said State, personally appeared Blaine Larsen, known or identified to me to be the person whose name is subscribed to the within Instrument as the President of Blaine Larsen Farms, Inc., an Idaho Corporation, which is known or identified to me to be the entity whose name is subscribed to the within Instrument and acknowledged to me that he executed the same in said Corporation's name.

Misty Neville
Notary Public



STATE OF IDAHO)
 : SS
COUNTY OF Jefferson

On this 7th day of April, 2018, before me, the undersigned Notary Public in and for said State, personally appeared Blaine Larsen, known or identified to me to be the person whose name is subscribed to the within Instrument as the President/Manager of BLF Land, LLC, an Idaho Limited Liability Company, which is known or identified to me to be the entity whose name is subscribed to the within Instrument and acknowledged to me that he executed the same in said Limited Liability Company's name.

Misty Neville
Notary Public



Exhibit A to Mortgage

Legal Description:

Real property in the County of Jefferson and the County of Fremont, State of Idaho, described as follows:

JEFFERSON COUNTY:

TOWNSHIP 7 NORTH, RANGE 37 E.B.M., JEFFERSON COUNTY, IDAHO

SECTION 1: W $\frac{1}{2}$ SW $\frac{1}{4}$

SECTION 2: E $\frac{1}{2}$ SE $\frac{1}{4}$

SECTION 3: NW $\frac{1}{4}$; SE $\frac{1}{4}$

Excepting therefrom part of the SW $\frac{1}{4}$ and part of the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 3, T. 7 N., R.37 E.B.M., Jefferson County, Idaho described as:

Commencing at the Southwest corner of said Section 3; thence N 00°37'38" W 30.00 feet along the West line of said Section 3 to the Point of Beginning; thence N 00°37'38" W 2609.73 feet along said West section line to the W $\frac{1}{4}$ corner of said Section 3; thence N 89°05'50" E 1039.47 feet along the East-West center section line to a point of curve; thence northeasterly 650.49 feet along said curve to the right, (Curve Data R = 1323.42 feet, D = 28°09'43") Chord bears N 89°05'42" E 643.96 feet to said center section line; thence N 89°05'50 E 971.93 feet along said center section line to the center of said Section 3; thence S 00°27'23" E 972.42 feet along the North-South center section line to a point of curve; Thence southerly 649.13 feet along said curve to the right, (Curve Data R = 1323.42 feet, D = 28°06'11") Chord Bears S 00°27'23" E 642.64 feet to said center section line; thence S 00°27'23" E 995.17 feet along said center section line; Thence S 89°06'23" W 2647.59 feet to the Point of Beginning.

SECTION 12: NW $\frac{1}{4}$

TOWNSHIP 7 NORTH, RANGE 38 E.B.M., JEFFERSON COUNTY, IDAHO

SECTION 6: N $\frac{1}{2}$

Tax Parcel Nos. RP07N37E015400; RP07N37E027200; RP07N37E032400; RP07N37E037200;
RP07N37E122401

FREMONT COUNTY:

TOWNSHIP 8 NORTH, RANGE 37 E.B.M., FREMONT COUNTY, IDAHO

SECTION 25: W $\frac{1}{2}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; ALL THAT PART OF THE W $\frac{1}{2}$ NE $\frac{1}{4}$ LYING SOUTH AND WEST OF 550 EAST STREET

SECTION 26: ALL

SECTION 27: E $\frac{1}{2}$; E $\frac{1}{2}$ W $\frac{1}{2}$

SECTION 34: W $\frac{1}{2}$; NE $\frac{1}{4}$.

SECTION 35: N $\frac{1}{2}$.

SECTION 36: ALL.

TOWNSHIP 8 NORTH, RANGE 38 E.B.M., FREMONT COUNTY, IDAHO

SECTION 31: GOVERNMENT LOTS 3 AND 4 (W $\frac{1}{2}$ SW $\frac{1}{4}$); E $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$ AND GOVERNMENT LOT 2 (SW $\frac{1}{4}$ NW $\frac{1}{4}$)

A 30 FOOT ACCESS EASEMENT IN ORDER TO TRAVEL TO THE NW $\frac{1}{4}$ OF SECTION 22, FROM THE SE $\frac{1}{4}$ OF SECTION 21, TOWNSHIP 8 NORTH, RANGE 38 E.B.M., FREMONT COUNTY, IDAHO, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT THAT IS N. 89°34'47" W. 21.06 FEET ALONG THE EAST – WEST CENTERLINE OF SECTION 21 FROM THE E $\frac{1}{4}$ CORNER OF SECTION 21, TOWNSHIP 8 NORTH, RANGE 38 E.B.M., AND RUNNING THENCE N. 45°00'00" E. 29.45 FEET; THENCE S. 45°29'59" E. 30.00 FEET; THENCE S. 45°00'00" W. 30.12 FEET; THENCE N. 44°13'33" W. 30.00 FEET TO THE POINT OF BEGINNING.

Tax Parcel Nos. RP08N37E250750; RP08N37E260001; RP08N37E270001; RP08N37E340001; RP08N37E350001; RP08N37E360001; RP08N38E313750.

Exhibit B to Mortgage

Water Rights:

Water Right Number	Individual Diversion CFS	Combined Diversion	Priority Date	Acre Limit	Combined Acres	Owner
31-11376 OK	0.05	2.24	07/21/1981	3.3	3.3	BLF Land LLC
31-12060 OK			12/23/1974	138.4	138.4	BLF Land LLC
31-12020 OK	1.85	1.85	12/23/1974	156	156	BLF Land LLC
31-12040 OK		1.70	4/10/1974	115.1	121.4	BLF Land LLC
31-12042 OK	0.13		1/19/1984	6.3		BLF Land LLC
31-10681 OK	0.03	1.73	6/1/1915		121.6	BLF Land LLC
31-11396 OK	0.16		7/28/1981	7.8		BLF Land LLC
31-12064 OK			11/29/1974	113.8		BLF Land LLC
31-12016 OK		3.02	06/11/1976	160.6	183.7	BLF Land LLC
31-12018 OK	0.44		07/15/1981	23.1		BLF Land LLC
31-12210 OK	2.61	2.61	06/11/1976	185	185	BLF Land LLC
31-12102 OK	1.47	1.71	03/11/1982	102.9	117.5	BLF Land LLC
31-11372 OK	0.24		06/05/1987	14.6		BLF Land LLC

Water Right Number	Individual Diversion CFS	Combined Diversion	Priority Date	Acre Limit	Combined Acres	Owner
31-12011 OK	0.14	0.38	03/02/1977	8.3	23.2	BLF Land LLC
31-12013 OK	0.08		11/01/1977	5.2		BLF Land LLC
31-12015 OK	0.07		02/24/1977	4.4		BLF Land LLC
31-12017 OK	0.09		06/11/1976	4.7		BLF Land LLC
31-12019 OK	0.01		07/15/1981	0.7		BLF Land LLC
31-12022 OK	1.76	1.76	01/18/1984	123	123	BLF Land LLC
31-12024 OK	1.75	1.75	02/22/1983	129	129	BLF Land LLC
31-12026 OK	1.88	1.88	02/22/1983	125	125	BLF Land LLC
31-12033 OK	0.23	0.52	11/29/1974	16	35.8	BLF Land LLC
31-12035 OK	0.02		03/25/1983	0.6		BLF Land LLC
31-12037 OK	0.29		06/08/1970	19.2		BLF Land LLC

Water Right Number	Individual Diversion CFS	Combined Diversion	Priority Date	Acre Limit	Combined Acres	Owner
31-12032 OK	1.50	1.55	11/29/1974	117	121.4	BLF Land LLC
31-12034 OK	0.05		03/25/1983	4.4		BLF Land LLC
31-12057 OK	0.28	0.97	01/08/1973	15	61	BLF Land LLC
31-12059 OK	0.02		01/08/1973	1.3		BLF Land LLC
31-12061 OK	0.22		12/23/1974	13.6		BLF Land LLC
31-12063 OK	0.21		12/23/1974	13.9		BLF Land LLC
31-12065 OK	0.24		11/29/1974	17.2		BLF Land LLC
31-10686 OK	0.04		3/18/1974			BLF Land LLC
31-11391 OK	0.14	1.75	07/15/1981	8.7	119.8	BLF Land LLC
31-12100 OK			03/18/1974	111.1		BLF Land LLC
31-11392 OK	0.12		03/22/1984	7	120	BLF Land LLC
31-12190 OK		1.94	03/18/1974	113		BLF Land LLC
31-12021 OK	0.13	0.13	12/23/1974	11		BLF Land LLC
31-12023 OK	0.17	0.17	01/18/1984	12		BLF Land LLC
31-12025 OK	0.14	0.14	02/22/1983	10		BLF Land LLC

Water Right Number	Individual Diversion CFS	Combined Diversion	Priority Date	Acre Limit	Combined Acres	Owner
31-12027 OK	0.18	0.18	02/22/1983	12	72	BLF Land LLC
31-12029 OK	0.21	0.21	06/08/1970	11.8		BLF Land LLC
31-12031 OK	0.23	0.23	01/18/1984	15.2		BLF Land LLC
31-12030 OK	1.87	1.87	01/18/1984	123.8	123.8	BLF Land LLC
31-12039 OK	0.50	0.81	10/26/1944	25	47.1	BLF Land LLC
31-12041 OK	0.29		04/10/1974	20.9		BLF Land LLC
31-12043 OK	0.02		01/19/1984	1.2		BLF Land LLC
31-11382 OK	0.06	1.87	04/01/1980	4.1	122.2	BLF Land LLC
31-12062 OK	1.81		12/23/1974	118.1		BLF Land LLC
21-13104 OK	1.65	1.65	03/11/1982	118.5	118.5	BLF Land LLC

Water Right Number	Individual Diversion CFS	Combined Diversion	Priority Date	Acre Limit	Combined Acres	Owner
21-13106 OK	1.61	1.61	03/11/1982	118.5	118.5	BLF Land LLC
31-11776 OK	0.59	0.59	11/12/1976	31.5	31.5	BLF Land LLC
31-12089 OK	0.20	0.20	03/03/1977	12	90	BLF Land LLC
31-12091 OK	0.27	0.27	03/03/1977	15		BLF Land LLC
31-12093 OK	0.29	0.29	03/11/1977	21		BLF Land LLC
31-12095 OK	0.26	0.26	03/11/1977	17		BLF Land LLC
31-12097 OK	0.40	0.40	01/26/1976	25		BLF Land LLC
31-12208 OK	2.24	2.24	01/22/1971	121.4	121.4	BLF Land LLC
31-7171 OK		1.60	12/01/1975	80	122.4	BLF Land LLC
31-11342 OK	0.18		04/01/1980	10		BLF Land LLC
31-12384 OK	0.31	0.31	03/11/1977	20.9		BLF Land LLC
31-12385 OK	0.08	0.08	01/24/1975	5.4		BLF Land LLC
31-12386 OK	0.08	0.08	06/20/1969	6.1		BLF Land LLC
31-11343 OK	0.15	2.22	04/01/1980	8	119	BLF Land LLC
31-12182 OK			08/20/1976	111		BLF Land LLC
TOTALS	30.04	44.77		2971.6	2971.5	

Exhibit C to Mortgage

Permitted Exceptions:

As set forth in Schedule BII of the Commitment for Title Insurance issued by First American Title Company dated March 9, 2018 at 7:30 A.M., Order No. 672550-RI.

1403547.01/dmm



State of Idaho

DEPARTMENT OF WATER RESOURCES

Eastern Region • 900 N SKYLINE DR STE A • IDAHO FALLS, ID 83402-1718

Phone: (208)525-7161 • Fax: (208)525-7177 • Website: www.idwr.idaho.gov

C.L. "Butch" Otter
Governor

Gary Spackman
Director

June 15, 2018

RABO AGRIFINANCE
1910 S STAPLEY DR STE 205
MESA AZ 85204-6679

RE: Notice of Security Interest for Water Right/Permit No(s): 31-13104, 21-13106, 31-11376, 31-12060, 31-12020, 31-12040, 31-12042, 31-10681, 31-11396, 31-12064, 31-12016, 31-12018, 31-12210, 31-12102, 31-11372, 31-12011, 31-12013, 31-12015, 31-12017, 31-12019, 31-12022, 31-12024, 31-12026, 31-12033, 31-12035, 31-12037, 31-12032, 31-12034, 31-12057, 31-12059, 31-12061, 31-12063, 31-12065, 31-10686, 31-11391, 31-12100, 31-11392, 31-12190, 31-12021, 31-12023, 31-12025, 31-12027, 31-12029, 31-12031, 31-12030, 31-12039, 31-12041, 31-12043, 31-11382, 31-12062, 31-12385, 31-11776, 31-12089, 31-12091, 31-12093, 31-12095, 31-12097, 31-12208, 31-7171, 31-11342, 31-12384, 31-12385, 31-12386, 31-11343 & 31-12182

Dear Security Interest Holder:

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

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Security Interest, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned 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.

If you have any questions concerning the enclosed information, please contact me at (208) 525-7161.

Sincerely,

Jonie Barg
Technical Records Spec I

Enclosure(s)

cc: BLF LAND LLC
IDAHO AGCREDIT FLCA
AXA EQUITABLE LIFE INSURANCE CO
C/O AXA EQUITABLE AGRIFINANCE LLC
RABO AGRIFINANCE LLC

May 30, 2018

Idaho Department of Water Resources
Eastern Region
900 North Skyline Drive, Suite A
Idaho Falls, Idaho 83402-1718

RECEIVED
JUN 04 2018
Department of Water Resources
Eastern Region

Re: Notice of Security Interest in a Water Right; Rabo AgriFinance
LLC as Agent; BLF Land LLC

Dear Department of Water Resources:

Our firm represents Rabo AgriFinance LLC ("RAF") as Agent in connection with certain secured loans made to BLF Land LLC, Blaine Larsen Farms, Inc., and other Borrowers. I am forwarding to you for filing RAF's Notice of Security Interest in a Water Right, which includes an Attachment that identifies 64 Water Rights of BLF Land LLC that have been pledged and mortgaged to RAF. I have also enclosed our check for \$1,600.00 for the filing fee, which is \$25.00 per water right. Please let me know if there is any other documentation that you need in connection with this filing.

Thank you for your assistance.

Sincerely,

RAY QUINNEY & NEBEKER P.C.

Douglas M. Monson

Douglas M. Monson

Enclosures

cc (w/encl., via email):

Kelly Greene McConnell
Craig Taylor
Linda Kobliska
Josh Borchert
Mark Fischels
Roger Becker
Carol Kido
Tammie Scott
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1455018v1

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