

RECEIVED

JAN 21 2016

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.

Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
43-2471	43-13578	43-2575	43-13577
43-2472	43-2504	43-2505	43-13603
43-2475	43-2516	43-4199	43-13604
43-2488	43-2417 25/7	43-13351	
43-2489	43-2519	43-13352	

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, Inc., a Delaware corporation

12443 Olive Blvd, Suite 50

St. Louis, MO 63141

SUPPORT DATA

IN FILE # 43-2471Phone 314-317-8000

Email _____

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

Lance D. Funk and Lisa I. Funk

5. Expiration Date of Notification Period _____

6. Is this a Renewal of Request for Notification?

☐ YES☐ NO

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

Title, if applicable

For Office Use Only

Received by ADDate 1-7-16Receipt No. C101393Fee 450.⁰⁰

Processed by AJ _____

Date _____

WR [Signature]Date 3-2-16

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

JAN 07 2016

DEPARTMENT OF
WATER RESOURCES

Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, see #6 of the instructions.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
43-2575	Yes ☐	Yes ☐	43-13603	Yes ☐	Yes ☐
43-2505	Yes ☐	Yes ☐	43-13604	Yes ☐	Yes ☐
43-4199	Yes ☐	Yes ☐	43-13352	Yes ☐	Yes ☐
43-13351	Yes ☐	Yes ☐		Yes ☐	Yes ☐
43-13577	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Murphy Land Company, LLC
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Lance D. Funk and Lisa I. Funk
New owner(s) as listed on the conveyance document Name connector ☒ and ☐ or ☐ and/or
- 2765 Fairgrounds Road American Falls ID 83211
Mailing address City State ZIP
- _____
Telephone Email
4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.
5. Date you acquired the water rights and/or claims listed above: 07-23-2015
6. If the water right is leased to the Water Supply Bank changing ownership of a water right will reassign to the new owner any Water Supply Bank leases associated with the water right. Payment of revenue generated from any rental of a leased water right requires a completed IRS Form W-9 for payment to be issued to an owner. A new owner for a water right under lease shall supply a W-9. Water rights with multiple owners must specify a designated lessor, using a completed Lessor Designation form. Beginning in the calendar year following an acknowledged change in water right ownership, compensation for any rental will go to the new owner(s).
7. This form must be signed and submitted with the following **REQUIRED** items:
☐ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
☐ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
☐ Filing fee (see instructions for further explanation):
 o \$25 per *undivided* water right.
 o \$100 per *split* water right.
 o No fee is required for pending adjudication claims.
☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: [Signature] Title, if applicable _____ Date 9/24/15
 Signature of new owner/claimant

Signature: [Signature] Title, if applicable _____ Date 9/24/15
 Signature of new owner/claimant

For IDWR Office Use Only:

Received by AO Date 1/7/16 Receipt No. C101393 Receipt Amt. \$450.00

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☒

Name on W-9 _____ Approved by _____ Processed by _____ Date _____

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESDEPARTMENT OF
WATER RESOURCES

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43-2472	Yes ☐	Yes ☐	43-2504	Yes ☐	Yes ☐
43-2475	Yes ☐	Yes ☐	43-2516	Yes ☐	Yes ☐
43-2488	Yes ☐	Yes ☐	43-2517	Yes ☐	Yes ☐
43-2489	Yes ☐	Yes ☐	43-2519	Yes ☐	Yes ☐

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Mailing address City State ZIP
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☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: [Signature] _____ 9/24/15
Signature of new owner/claimant Title, if applicable Date
- Signature: [Signature] _____ 9/24/15
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by 10 Date 1/7/16 Receipt No. C101393 Receipt Amt. \$450.00

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☒

Name on W-9 _____ Approved by _____ Processed by _____ Date _____

SECURITY AGREEMENT

This agreement is dated as of July 30, 2015. It is between LANCE DON FUNK, individually and doing business as Lance Funk Farms ("Lance Funk") and LISA IRIGOYEN FUNK, individually and doing business as Lance Funk Farms ("Lisa Funk"), married spouses and LANCE & LISA FUNK PARTNERSHIP, an Idaho general partnership ("Lance & Lisa Funk Partnership") (Lance Funk, Lisa Funk, and Lance & Lisa Funk Partnership are herein individually and collectively, "Grantor"), and RABO AGRIFINANCE, INC., a Delaware corporation, as agent for itself and the other Secured Parties (defined herein) under the Collateral Agency Agreement (defined herein; and Rabo Agrifinance, Inc., in that capacity, "Collateral Agent").

RABO AGRIFINANCE, INC., a Delaware corporation, as Lender ("Lender") has extended credit to Grantor under the terms and conditions of the Credit Agreement between Grantor and Lender dated as of the date of this agreement (the "Credit Agreement"). Each capitalized term used in this agreement that is defined in the Credit Agreement and not defined in this agreement will have the meaning specified in the Credit Agreement. This agreement will be interpreted in accordance with the Drafting Conventions.

Grantor has or may also enter into certain derivatives transactions under Hedging Agreements with Swap Counterparties, under which Grantor has or may incur Hedging Obligations to Swap Counterparties.

To induce Lender and Swap Counterparties to extend credit and provide other financial accommodations (including derivative transactions) to Grantor, and in consideration thereof, Grantor agrees as follows:

1. **The Collateral** TO SECURE repayment of the indebtedness evidenced by the Note (defined herein) and payment and performance of all other Secured Obligations (defined herein), Grantor irrevocably and unconditionally grants, bargains, sells, and conveys to Mortgagee wherever located, whether now owned or hereafter acquired or arising, and, except as indicated, whether constituting real estate or personal property (collectively, the "Property"): (a) the real estate and any interest in the real estate located in Cassia County, Idaho, and described in EXHIBIT A (the "Land"); (b) all buildings, structures, improvements, fixtures, attachments, appliances, equipment, machinery and other articles now or hereafter erected on, affixed or attached to, or located in or on the Land, including all watering and irrigation apparatus, pumps, motors, generators, pipes, center pivot irrigators and sprinklers, windmills, and fences (the "Improvements"); (c) all easements, rights-of-way and rights appurtenant to the Land or used in connection the Land or as a means of access thereto ("Easements"); (d) the ground water on, under, pumped from or otherwise available to the Property or any drainage, retention, ditch, canal, reservoir, or other water rights, whether as a result of overlying groundwater rights, contractual rights, or otherwise and whether riparian, appropriative, or otherwise; the right to remove or extract any such ground water including any permits, rights or licenses granted by any Governmental Authority and any rights granted or created by any easement, covenant, agreement or contract with any Person; and any rights to which the Property or Grantor is entitled with respect to surface water, whether such rights are appropriative, riparian, prescriptive or otherwise and whether or not pursuant to historical use, contractual agreement, permit or other governmental authorization; any water right, water allocation for water not yet delivered, distribution right, delivery right, any prescriptive, contractual, easement or other rights necessary or convenient to convey any water to the Property, water storage right, or other water-related entitlement appurtenant to or otherwise applicable to the Property by virtue of the Property being situated within the boundaries of any governmental water district irrigation district or other local agency or within the boundaries of any private water company, mutual water company, or other non-governmental entity (collectively, "Water Rights"); (e) all other tenements, hereditaments and appurtenances to the Land; (f) minerals, oil, gas, and other hydrocarbon substances, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Land and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized (the "Mineral Rights"); (g) timber now or hereafter standing or cut; (h) leases, subleases, licenses, occupancy agreements, concessions and other agreements, granting a possessory interest in and to, or the right to extract, mine, reside in, sell, or use the Property (collectively, the "Leases"); (i) all utility contracts, maintenance agreements, management agreements, service contracts and other agreements directly related to the operation and maintenance of the Property; (j) all bushes, groves, trees, plants, vines or other plantings, upon or under the Land ("Plantings"); (k) any shares, or any rights under such shares, of any private water company, mutual water company, or other non-governmental entity pursuant to which Grantor or the Property may receive water (collectively, the "Water Stock") and any other certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts, including all stock, bonds and commodities contracts, or other investment property described in EXHIBIT B attached; (l) working drawings, instructional manuals, and rights in processes directly related to the operation of the Property, and all other general intangibles described in EXHIBIT B; (m) other tangible personal property of every kind and description, whether stored on the Land or elsewhere, including all goods, materials, supplies, tools, books, records, chattels, furniture, machinery and equipment (except motor vehicles, trailers, and planting, tillage and harvesting equipment rolling stock) or which is in all cases (i) directly related to the operation of the Property or acquired in connection with any construction or maintenance of the Land or the Improvements, (ii) affixed or installed, or to be affixed or installed, in any manner on the Land or the Improvements, or (iii) described in EXHIBIT B attached; (n) all permits and licenses relating or pertaining to the use or enjoyment of the Property; (o) proceeds of and any unearned premiums on any insurance policies covering the Property, including the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property (the "Insurance Claims"); (p) all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Real Estate (the "Condemnation Awards"); (q) money or other personal property of Grantor in addition to the foregoing deposited with or otherwise in Mortgagee's or Secured Parties' possession; (r) rights and interests under the Hedging Agreements, including all rights to the payment of money from Secured Parties under the Hedging Agreements; and all accounts, deposit accounts, and general intangibles, including payment intangibles, described in any of the Hedging Agreements; (s) all other real or personal property described in EXHIBIT B; (t) the right, in the name and on behalf of Grantor, upon notice to Grantor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Mortgagee or Secured Parties in the Property; and (u) substitutions, replacements, additions, accessions and proceeds for or to any of the foregoing, and all books, records and files relating to any of the foregoing, including, without limitation, computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

2. **Secured Obligations.** This agreement is to secure the payment and performance of the following (collectively, the "Secured Obligations") in any order of priority that Collateral Agent or Secured Parties may choose: (a) all Obligations (defined in the Credit Agreement), including (i) the Term Loan Note dated October 20, 2011, from Grantor and Murphy Land Company, LLC to Lender in the original principal amount of \$11,000,000.00 (the "Note") and (ii) all Hedging Obligations; (b) all obligations of Grantor under this agreement; (c) all obligations of Grantor to Lender, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank), a foreign banking organization organized as a cooperative bank under the laws of The Netherlands ("Rabobank") and/or Rabobank, N.A., a national banking association ("RNA"), or any other Affiliate of Lender (Lender, Rabobank and RNA, and any other Affiliate of Lender are herein individually and collectively, "Secured Parties"), whether now existing or hereafter incurred or created, whether voluntary or involuntary, whether obligatory or non-obligatory; whether due or not due, whether absolute or contingent, or

whether incurred directly or acquired by assignment or otherwise, under the terms and conditions of any other written instrument or agreement executed by Grantor; and (d) any of the foregoing that arises after the filing of a petition by or against Grantor under an Insolvency Proceeding.

3. **Grantor Representations.** Grantor represents to Collateral Agent and Secured Parties that: (a) the legal name of Grantor is as appears in the first paragraph of this agreement; (b) Grantor has not used any trade name, assumed name or other name except Grantor's name stated in the first paragraph of this agreement; (c) each Grantor who is a natural Person resides at the address adjacent to his or her signature below; (d) except for liens expressly permitted under the terms of the Credit Agreement, Grantor has not granted any security interest in any of the Collateral except to Collateral Agent or Secured Parties; and (e) there are no claims, actions, proceedings or investigations pending or threatened against Grantor or affecting the Collateral with respect to any violations of Applicable Laws.

4. **Information Accurate and Complete.** Grantor's submission of any report, record or other information pertaining to the condition or operations, financial or otherwise, of Grantor, from time to time, whether or not required under Borrower's application for the Loan, Lender's underwriting and approval of the Loan, or this agreement and the other Loan Documents, will be deemed accompanied by a representation by Grantor that the report, record or information is complete and accurate in all material respects as to the condition or operations of Grantor (and, if applicable, Grantor's Subsidiaries, Affiliates, partners, shareholders, members, or other principals), including, without limitation, all material contingent liabilities.

5. **Grantor Covenants.** Until such time as all of the Secured Obligations have been paid in full and the Hedging Agreements have been terminated:

(a) Grantor shall properly preserve, maintain and care for the Collateral; defend the Collateral against any adverse claims and demands; protect, diligently collect all accounts; and keep complete, current, and accurate Books and Records with respect to the Collateral and any proceeds or collections;

(b) Grantor shall notify Collateral Agent in writing prior to any change in (i) Grantor's name, identity or business structure or (ii) the location(s) of (A) Grantor's place of business or Grantor's chief executive office if Grantor has more than one place of business, (B) Grantor's state of organization, or (C) Grantor's books and records concerning any Collateral;

(c) Grantor shall promptly notify Collateral Agent in writing of any event which affects the value of the Collateral, the ability of Grantor or Collateral Agent to dispose of the Collateral, or the rights and remedies of Collateral Agent in relation thereto, including, but not limited to, the levy of any legal process against any Collateral and the adoption of any marketing order, arrangement or procedure affecting the Collateral, whether governmental or otherwise;

(d) except for purchase money security interests related to normal trade credit and liens expressly permitted under the terms of this agreement or the Credit Agreement, Grantor will not grant any security interest in any of the Collateral except to Collateral Agent, and will keep the Collateral free of all liens, claims, security interests and encumbrances of any kind or nature except the security interest of Collateral Agent and such permitted liens;

(e) Grantor shall pay all costs necessary to preserve, defend, enforce and collect the Collateral, including but not limited to taxes, assessments, insurance premiums, repairs, rent, storage costs and expenses of sales, and any costs to perfect Collateral Agent's security interest. Without waiving Grantor's default for failure to make any such payment, Collateral Agent at its option may pay any such costs and expenses, discharge encumbrances on the Collateral, and pay for insurance of the Collateral, and such payments shall be a part of the Secured Obligations and bear interest at the rate set out in the Secured Obligations. Grantor agrees to reimburse Collateral Agent on demand for any costs so incurred;

(f) until Collateral Agent exercises its rights to make collection, Grantor will diligently collect all Collateral;

(g) if any Collateral is or becomes the subject of any registration certificate, certificate of deposit or negotiable document of title, including any warehouse receipt or bill of lading, Grantor shall immediately deliver such document to Collateral Agent, together with any necessary endorsements;

(h) Grantor will not sell, lease, agree to sell or lease, or otherwise dispose of any Collateral, except that until an Event of Default or the revocation by Collateral Agent of Grantor's right to do so, and subject to the provision of this agreement, Grantor may (i) sell or lease any Collateral constituting inventory or farm products in the ordinary course of business at prices constituting the fair market value thereof; and (ii) use feed, seed, fertilizer, chemicals, medicines and other supplies used or produced in Grantor's farming operations in the ordinary course of Grantor's farming operations;

(i) Grantor will execute and deliver such additional documents as may be reasonably requested by Collateral Agent in connection with Collateral Agent's security interest in the Collateral, including all assignments, transfers and other documents required by Collateral Agent to transfer to Collateral Agent, all federal and state government program payments, rights to payment, accounts, general intangibles and benefits; and

(j) Grantor will not attach any Collateral to any real property or fixture in a manner which might cause such Collateral to become a part thereof unless Grantor first obtains the written consent of any owner, holder of any lien on the real property or fixture, or other person having an interest in such property to the removal by Collateral Agent of the Collateral from such real property or fixture. Such written consent shall be in form and substance acceptable to Collateral Agent and shall provide that Collateral Agent has no liability to such owner, holder of any lien, or any other person.

6. **Additional Optional Requirements.** Collateral Agent may at its option at any time, whether or not Grantor is in default: (a) require Grantor to deliver to Collateral Agent (i) copies of or extracts from the Books and Records, (ii) records and schedules which show the status and condition of the Collateral and where it is located, and (iii) information on any contracts or other matters affecting the Collateral; (b) permit Collateral Agent to inspect the Collateral; (c) require Grantor to furnish to Collateral Agent a list of the buyers, processors, commission merchants, cooperatives, or selling agents to or through whom Grantor sells any farm product or other Collateral; and in the event that Grantor thereafter sells farm products or other Collateral to or through a person or entity not identified in the list, Grantor shall notify Collateral Agent of the sale not less than seven (7) days prior to the sale; (d) require Grantor to deliver to Collateral Agent any instruments or chattel paper; (e) notify or require Grantor to notify any account debtors, any buyers of the Collateral, or any other persons of Collateral Agent's interest in the Collateral; (f) notify or require Grantor to notify any account debtor to forward all payments and proceeds of the Collateral to Collateral Agent; and (g) endorse or sign Grantor's name on all checks, drafts, collections, receipts and other documents, and to take possession of and open the mail addressed to Grantor and remove therefrom any payments and proceeds of the Collateral.

7. **Events of Default.** The following each shall be an event of default under this agreement (an "Event of Default"): (a) an Event of Default under the Credit Agreement, including a default termination event or other similar event under any Hedging Agreement which is not cured within any grace or cure period specified therein, if any; and (b) Grantor breaches any term, provision, warranty or representation under this agreement.

8. **Remedies.** Upon the occurrence of an Event of Default, Collateral Agent may: (a) pursue any or all remedies as set forth in this agreement, the Credit Agreement or the Hedging Agreements; (b) enforce the security interest given hereunder or any other instrument or agreement pursuant to the UCC and any other Applicable Law; (c) enforce the security interest of Collateral Agent in any deposit account of Grantor maintained with any Secured Party by applying such account to the Secured Obligations; (d) require Grantor to obtain Collateral Agent's prior written consent to any sale, lease, agreement to sell or lease, or other disposition of any Collateral; (e) require Grantor to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to Collateral Agent in kind; (f) require Grantor to assemble the Collateral, including the Books and Records, and make them available to Collateral Agent at a place designated by Collateral Agent; (g) enter upon the property where any Collateral, including any Books and Records, are located and take possession of such Collateral and such Books and Records, and use such property (including any buildings and facilities) and any of Grantor's equipment, if Collateral Agent deems such use necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral; (h) demand and collect any payments on and proceeds of the Collateral; (i) grant extensions and compromise or settle claims with respect to the Collateral for less than face value, upon reasonable prior notice to Grantor as may be required under the UCC; (j) use or transfer any of Grantor's rights and interests in any Intellectual Property now owned or hereafter acquired by Grantor, if Collateral Agent deems such use or transfer necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral. Grantor agrees that any such use or transfer shall be without any additional consideration to Grantor (as used in this agreement, "Intellectual Property" means all trade secrets, computer software, service marks, trademarks, trade names, trade styles, copyrights, patents, applications for any of the foregoing, customer lists, working drawings, instructional manuals, and rights in processes for technical manufacturing, packaging and labeling, in which Grantor has any right or interest, whether by ownership, license, contract or otherwise); (k) have a receiver appointed by any court of competent jurisdiction to take possession of the Collateral. Grantor hereby consents to the appointment of such a receiver and agrees not to oppose any such appointment; (l) take such measures as Collateral Agent may deem necessary or advisable to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, and Grantor hereby irrevocably constitutes and appoints Collateral Agent as Grantor's attorney-in-fact to perform all acts and execute all documents in connection therewith; and (m) without notice or demand to Grantor, set off and apply against any and all of the Secured Obligations any and all deposits (general or special, time or demand, provisional or final) and any other Secured Obligations, at any time held or owing by Collateral Agent or any of Collateral Agent's agents or affiliates to or for the credit of the account of Grantor or any guarantor or endorser of the Secured Obligations.

9. **Notices.** All notices, approvals, consents, and other communications, under this agreement ("**Notices**") must be given in accordance with and will be subject to the terms and provisions of the Credit Agreement. Notices must be mailed or delivered, if to Grantor, to the address adjacent Grantor's signature below; if to Collateral Agent or Lender, to 12443 Olive Blvd, Suite 50, St. Louis, MO 63141, Attention: Customer Service Representative; if to Secured Parties other than Lender, c/o Rabobank, 245 Park Avenue, New York, NY 10167, Attention: Customer Service Representative; and in the case of any other Person, to the address designated by that Person in a notice to Grantor Collateral Agent and Secured Parties.

10. **Other Acts.** Grantor shall cooperate with Collateral Agent and Secured Parties for the purposes of, and perform all acts which may be necessary or advisable to perfect any Lien provided for in this agreement or to carry out the intent of this agreement. Promptly (but in no event more than ten days) after request by Collateral Agent and Secured Parties, Grantor will execute, acknowledge and deliver any document which Collateral Agent and Secured Parties deems necessary or advisable for these purposes, and will, on demand, pay any expenses incurred by Collateral Agent and Secured Parties in the preparation, execution and filing of any such documents.

11. **POWER OF ATTORNEY.** TO FACILITATE THE PERFORMANCE OF THE AGREEMENTS OF GRANTOR UNDER THE LOAN DOCUMENTS, SECURED PARTY, IN THE NAME AND ON BEHALF OF GRANTOR OR, AT ITS OPTION, IN ITS OWN NAME, MAY (BEFORE OR AFTER AN EVENT OF DEFAULT) PERFORM OR OBSERVE ANY OBLIGATION OF GRANTOR TO SECURED PARTY AND TAKE ANY ACTION WHICH SECURED PARTY MAY DEEM NECESSARY OR DESIRABLE TO CURE OR CORRECT SUCH FAILURE. GRANTOR IRREVOCABLY AUTHORIZES SECURED PARTY AND GRANTS SECURED PARTY A POWER OF ATTORNEY IN THE NAME AND ON BEHALF OF THE GRANTOR OR, AT ITS OPTION, IN ITS OWN NAME, COUPLED WITH AN INTEREST, TO COLLECT, RECEIVE, RECEIPT FOR, CREATE, PREPARE, COMPLETE, EXECUTE, ENDORSE, DELIVER, AND FILE ANY AND ALL INSURANCE APPLICATIONS, REMITTANCES, INSTRUMENTS, DOCUMENTS, CHATTEL PAPER, AND OTHER WRITINGS, TO GRANT AN EXTENSION TO, COMPROMISE, SETTLE, WAIVE, NOTIFY, AMEND, ADJUST, CHANGE, AND RELEASE ANY OBLIGATION OF ANY ACCOUNT GRANTOR, OBLIGOR, INSURER, OR OTHER PERSON PERTAINING TO ANY COLLATERAL, AND TAKE ANY OTHER ACTION DEEMED BY SECURED PARTY TO BE NECESSARY OR DESIRABLE TO ESTABLISH, PERFECT, PROTECT, OR ENFORCE THE SECURED PARTY'S INTEREST IN THE COLLATERAL. Grantor shall execute FSA/CCC Power of Attorney forms and any other documents required to enable Secured Party to execute any and all documents necessary for application for, compliance or reporting of necessary information for all FSA/CCC programs. Secured Party has no duty to exercise any of the authority granted in this paragraph. Secured Party shall not be liable for any act or failure to act in connection with the collection of or the preservation of any rights with respect to the Collateral described in this paragraph.

12. **Miscellaneous.**

(a) This agreement is subject to the terms of a collateral agency agreement between the Secured Parties (the "Collateral Agency Agreement").

(b) The Credit Agreement, the other Transaction Documents, and each other agreement or instrument made or entered into in connection with each of the Secured Obligations (collectively, the "Secured Obligation Documents"), collectively: (i) represent the sum of the understandings and agreements between Collateral Agent, Secured Parties and Grantor concerning this credit; (ii) replace any prior oral or written agreements between Collateral Agent, Secured Parties and Grantor concerning this credit; and (iii) are intended by Collateral Agent, Secured Parties and Grantor as the final, complete and exclusive statement of the terms agreed to by them. The Secured Obligation Documents also grant further rights to Collateral Agent and Secured Parties and contain further agreements and affirmative and negative covenants by Grantor which apply to this agreement and to the Collateral.

(c) Each waiver by Collateral Agent or Secured Parties must be in writing, and no waiver is to be construed as a continuing waiver. No waiver is to be implied from any delay or failure by Collateral Agent or Secured Parties to take action on account of any default of Grantor. Consent by Collateral Agent or Secured Parties to any act or omission by Grantor must not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Collateral Agent's or Secured Parties' consent to be obtained in any future or other instance. The exercise by Collateral Agent or Secured Parties of any right or remedy under this agreement or the other Secured Obligation Documents or under Applicable Law, shall not: cure or waive a breach, Event of Default or notice of default under this agreement or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other defaults under the Secured Obligation Documents, including any Hedging Agreements, have been cured); or impair the security of this agreement; or prejudice

Collateral Agent or Secured Parties, or any receiver appointed in accordance with this agreement, in the exercise of any right or remedy afforded any of them under this agreement; or be construed as an affirmation by Collateral Agent or Secured Parties of any tenancy, lease or option, or a subordination of the lien of this agreement.

(d) Grantor waives all rights, legal and equitable, it may now or hereafter have to require marshaling of assets or to require upon foreclosure sales of assets in a particular order. Each successor and assign of Grantor, including any holder of a lien subordinate to this agreement, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

(e) If Grantor consists of more than one Person, each Grantor (a) acknowledges that this agreement is the independent and several obligation of each Grantor and may be enforced against each Grantor separately, whether or not enforcement of any right or remedy hereunder has been sought against any other Grantor; and (b) agrees that its liability hereunder and under any other Secured Obligation Document shall be absolute, unconditional, continuing and irrevocable. GRANTOR EXPRESSLY WAIVES ANY REQUIREMENT THAT COLLATERAL AGENT OR SECURED PARTIES EXHAUST ANY RIGHT, POWER OR REMEDY AND PROCEED AGAINST THE OTHER GRANTORS UNDER THIS AGREEMENT, OR ANY OTHER SECURED OBLIGATION DOCUMENTS, OR AGAINST ANY OTHER PERSON UNDER ANY GUARANTY OF, OR SECURITY FOR, ANY OF THE SECURED OBLIGATIONS.

(f) If Grantor is comprised of multiple Persons, any Person comprising Grantor is hereby authorized to bind all parties comprising Grantor. Collateral Agent and Secured Parties may, at any time and without notice, waive any prior requirement that requests, authorizations, or other actions be taken only by a Designated Person.

(g) This agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns; provided that Grantor shall not assign its rights or obligations hereunder without Secured Parties' consent. However, this Paragraph does not waive the provisions of Section 5(h); and Grantor shall not assign its rights or obligations hereunder without the consent of Collateral Agent and Secured Parties. Collateral Agent and Secured Parties may transfer all or any portion of its rights under the Secured Obligation Documents to any other Person. Collateral Agent and Secured Parties may disclose to any actual or proposed transferee any information that Grantor has delivered to Collateral Agent or Secured Parties in connection with the negotiation of this agreement or pursuant to the Secured Obligation Documents; and Grantor shall cooperate fully with Collateral Agent and Secured Parties in providing that information to any actual or proposed transferee. Any individual signing this agreement does so on his or her own behalf and on behalf of his or her marital community, and agrees that recourse may be had against community assets and against his or her separate property for the satisfaction of all indebtedness, liabilities and obligations of Indemnitor under this agreement.

(h) All rights and remedies under this agreement and the Secured Obligation Documents are cumulative, and the exercise of any one or more of them does not constitute an election of remedies.

(i) Any provision of any Secured Obligation Document which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of that Secured Obligation Document or affecting the validity or enforceability of that provision in any other jurisdiction; except that if such provision relates to the payment of any monetary sum, then Collateral Agent may, at its option, declare all Secured Obligations immediately due and payable.

(j) This agreement may not be amended, changed, modified, altered or terminated without the prior written consent of Collateral Agent and Secured Parties.

(k) This agreement shall be governed exclusively by the applicable laws of the State of Idaho (the "Governing Law State") without regard or reference to its conflict of laws principles. Grantor understands that the laws of the Governing Law State may differ from the laws of the State where Grantor resides or otherwise is located or where the Collateral is located. However, Grantor understands, agrees and acknowledges that (a) this agreement and the Secured Obligation Documents have significant and substantial contacts with the Governing Law State, (b) it is convenient to Grantor and Lender to select the law of the Governing Law State to govern this agreement and the transactions evidenced hereby, (c) the transactions evidenced by this agreement bear a reasonable connection to the laws of the Governing Law State, (d) the choice of the internal laws of the Governing Law State was made for good and valid reasons, and (e) the choice of the Governing Law State constitutes good and valuable consideration for Secured Parties to enter into the Secured Obligation Documents and Secured Parties have entered into the Secured Obligation Documents in reliance on this choice.

(l) This agreement may be executed in counterparts, each of which will be an original and all of which together are deemed one and the same instrument.

(m) Collateral Agent is authorized to execute any other documents or take any other actions necessary to effectuate this agreement and the consummation of the transactions contemplated herein.

(n) Collateral Agent and Secured Parties are authorized to order a credit report and verify all other credit information, including past and present loans and standard references from time to time to evaluate the creditworthiness of Grantor. Without limitation, a copy of the consent for release of information, general authorization or similar document on file with Collateral Agent or Secured Parties shall authorize third Persons to provide the information requested from time to time.

(o) Each Party has participated in negotiating and drafting this agreement, so if an ambiguity or a question of intent or interpretation arises, this agreement is to be construed as if the parties had drafted it jointly, as opposed to being construed against a Party because it was responsible for drafting one or more provisions of this agreement.

(p) **GRANTOR, AND BY ACCEPTANCE HEREOF, COLLATERAL AGENT (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY IN ANY ACTION OR PROCEEDING FOR THE RESOLUTION OF ANY CONTROVERSY OR CLAIM THAT ARISES OUT OF OR RELATES TO: (I) THIS AGREEMENT; OR (II) ANY SECURED OBLIGATION DOCUMENT, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE (INDIVIDUALLY AND COLLECTIVELY, A "CONTROVERSY OR CLAIM"); AND, (B) TO THE EXTENT PERMITTED BY APPLICABLE LAW, WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY CONTROVERSY OR CLAIM TO THE EXTENT SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THE PROVISIONS OF THIS SECTION ARE GIVEN KNOWINGLY AND VOLUNTARILY; AND ARE A MATERIAL INDUCEMENT FOR THE SECURED PARTIES ENTERING INTO THE SECURED OBLIGATION DOCUMENTS.**

Grantor is signing this agreement effective as of the day and year first written above.

EXHIBIT A

Legal Description of Real Estate

Cassia County, Idaho

PARCEL NO. 1:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 30: Lots 2, 3, and 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ and E $\frac{1}{4}$ SE $\frac{1}{4}$, **EXCEPTING** Part of Lot 4 of Section 30, described as follows:

Beginning at the Southwest corner of Lot 4 of said Section 30, which shall be the True Point of Beginning;

Thence North 0°01' West for 208.71 feet along the Section line to a point;

Thence South 89°55' East for 208.71 feet to a point;

Thence South 0°01' East for 208.71 feet to a point on the Section line;

Thence North 89°55' West for 208.71 feet to the True Point of Beginning.

ALSO EXCEPTING THEREFROM the following described tract:

Beginning at the Southwest corner of said Section 30, Station 61+67.712, 1,990 meters (6.53 feet) right of said Project center line; thence North 89°37'26" East along the South boundary of said Section 30 for a distance of 63.505 meters (208.35 feet), Station 62+31.217, 2.108 meters (6.92 feet) right of said Project centerline and being the True Point of Beginning;

Thence North 89°37'26" East along the South boundary of said Section 30 for a distance of 862.684 meters (2830.32 feet) to the S $\frac{1}{4}$ corner of said Section 30, Station 70+93.909, 3.699 meters (12.14 feet) right of said Project centerline;

Thence North 89°35'47" East along the South boundary of said Section 30 for a distance of 807.070 meters (2647.86 feet) to the Southeast corner of said Section 30, Station 79+00.978, 2.754 meters (9.04 feet) right of said Project centerline;

Thence North 00°28'50" West along the East boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 30 for a distance of 14.946 meters (49.04 feet), Station 79+00.941, 12.192 meters (40.00 feet) left of said Project centerline;

Thence South 89°39'48" West and being parallel with the centerline of said Project for a distance of 807.063 meters (2647.84 feet) to a point on the West boundary of the SE $\frac{1}{4}$ of said Section 30, Station 70+93.910, 12.192 (40.00 feet) left of said Project centerline;

Thence South 89°31'05" West and being parallel with the centerline of said Project for a distance of 553.910 meters (1817.29 feet), Station 65+40.000, 12.192 (40.00 feet) left of said Project centerline;

Thence North 00°28'55" West for a distance of 1,524 meters (5.00 feet), Station 65+40.000, 13.716 (45.00 feet) left of said Project centerline;

Thence South 89°31'05" West and being parallel with the centerline of said Project for a distance of 308.773 meters (1013.03 feet), Station 62+31.227, 13.716 (45.00 feet) left of said Project centerline;

Thence South 00°26'47" East for a distance of 15.824 meters (51.92 feet) to the True Point of Beginning.

PARCEL NO. 2:

TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 31: NE¼, NE¼NW¼, Lots 1 and 2

LESS, part of Lot 1 and Lot 2 of said Section 31, described as follows:

Beginning at the Southwest corner of Lot 2 of said Section 31, which shall be the True Point of Beginning;

Thence North 0°01' West along section line for 1617.50 feet to a point;

Thence South 89°54' East for 1394.28 feet to a point;

Thence South 0°01'30" East for 1617.50 feet to a point on the South line of Lot 2;

Thence North 89°54'30" West along said South line for 1395.0 feet to the True Point of Beginning.

ALSO EXCEPTING THEREFROM the following described tract:

Beginning at the Northwest corner of said Section 31, Station 61+67.712, 1.990 meters (6.53 feet) right of said Project centerline;

Thence North 89°37'26" East along the North boundary of said Section 31 for a distance of 926.189 meters (3038.67 feet) to the N¼ corner of said Section 31, Station 70+93.909, 3.699 meters (12.14 feet) right of said Project centerline;

Thence North 89°35'47" East along the North boundary of said Section 31 for a distance of 807.070 meters (2647.86 feet) to the Northeast corner of said Section 31, Station 79+00.978, 2.754 meters (9.04 feet) right of said Project centerline;

Thence South 00°32'10" East along the East boundary of the NE¼ of said Section for a distance of 9.438 meters (30.97 feet), Station 79+01.011, 12.192 meters (40.00 feet) right of said Project centerline;

Thence South 89°39'48" West and being parallel with the centerline of said Project for a distance of 807.105 meters (2647.98 feet) to a point on the West boundary of the NE¼ of said Section 31, Station 70+93.876, 12.192 (40.00 feet) right of said Project centerline;

Thence South 89°31'05" West and being parallel with the centerline of said Project for a distance of 553.876 meters (1817.17 feet), Station 65+40.000, 12.192 (40.00 feet) right of said Project centerline;

Thence South 00°28'55" East for a distance of 1.524 meters (5.00 feet), Station 65+40.000, 13.716 (45.00 feet) right of said Project centerline;

Thence South 89°31'05" West and being parallel with the centerline of said Project for a distance of 280.000 meters (918.63 feet), Station 62+60.000, 13.716 (45.00 feet) right of said Project centerline;

Thence North 00°28'55" West for a distance of 1.524 meters (5.00 feet), Station 62+60.000, 12.192 (40.00 feet) right of said Project centerline;

Thence South 89°31'05" West and being parallel with the centerline of said Project for a distance of 92.290 meters (302.79 feet) to a point on the West boundary of Government Lot 1 of said Section 31, Station 61+67.714, 12.192 (40.00 feet) right of said Project centerline;

Thence North 00°28'14" West along the West boundary of Government Lot 1 for a distance of 10.202 meters (33.47 feet) to the Northwest corner of said Section 31 and being the Point of Beginning.

PARCEL NO. 3:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 31: SE¼

PARCEL NO. 4:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 31: SE¼NW¼, SAVE AND EXCEPT, the following described parcel:

Beginning at the W¼ section corner of said Section 31, said corner marked by a US BLM aluminum pipe with a cap; Thence South 89°55'11" East along the South line of the NW¼ of Section 31 for a distance of 1394.26 feet to the Point of Beginning;
Thence North 00°00'00" East for a distance of 1365.91 feet;
Thence South 89°51'32" East for a distance of 28.52 feet to a ½ inch rebar;
Thence South 00°09'35" East for a distance of 978.70 feet to a ½ inch rebar;
Thence along a non-tangent curve to the right for a distance of 1222.71 feet to a ½ inch rebar on the South line of the NW¼, said curve having a radius of 1531.45 feet and a central angle of 45°44'41" and a long chord bearing South 70°56'23" East for a distance of 1190.49 feet;
Thence North 89°55'11" West along the South line of the NW¼ for a distance of 1156.47 feet to the Point of Beginning.

PARCEL NO. 5:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 32: N¼

EXCEPTING THEREFROM the following described tracts:

Tract No. 1:

Beginning at the Northwest corner of said Section 32, Station 79+00.978, 2.754 meters (9.04 feet) right of said Project centerline;
Thence North 89°45'08" East along the North boundary of said Section 32 for a distance of 808.396 meters (2652.22 feet) to the N¼ corner of said Section 32, Station 87+09.374, 4.006 meters (13.14 feet) right of said Project centerline;
Thence North 89°37'03" East along the North boundary of said Section 32 for a distance of 493.668 meters (1619.64 feet), Station 92+03.095, 0.628 meters (2.06 feet) left of said Project centerline;
Thence South 00°20'12" East for a distance of 13.201 meters (43.31 feet), Station 92+03.095, 12.573 (41.25 feet) right of said Project centerline;
Thence South 89°39'48" West for a distance of 163.383 meters (536.03 feet), Station 90+40.000, 16.165 (53.03 feet) right of said Project centerline;
Thence North 00°51'22" East for a distance of 4.620 meters (15.16 feet), Station 90+40.00, 11.545 (37.88 feet) right of said Project centerline;
Thence South 89°39'48" West for a distance of 330.355 meters (1083.84 feet) to a point on the West boundary of the NE¼ of said Section 32, Station 87+09.400, 12.192 (40.00 feet) right of said Project centerline;

Thence South 89°39'48" West and being parallel with the centerline of said Project for a distance of 808.389 meters (2652.19 feet) to a point on the West boundary of the NW¼ of said Section 32, Station 79+01.011, 12.192 (40.00 feet) right of said Project centerline;
 Thence North 00°32'10" West along the West boundary of NW¼ of said Section 32 for a distance of 9.438 meters (30.97 feet) to the Northwest corner of said Section 32 and being the Point of Beginning.

Tract No. 2

All that portion deeded to the Burley Highway District for highway purposes as disclosed by Warranty Deed, by and between Wood River Investments, L.L.C., an Idaho limited liability company, as Grantor and Burley Highway District, a body corporate and politic, as Grantee, dated July 8, 2005 and recorded September 20, 2007 as Instrument No. 2007-318345, records of Cassia County, Idaho.

PARCEL NO. 6:

TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
 CASSIA COUNTY, IDAHO

Section 32: 8¼, **SAVE AND EXCEPT** that portion deeded to the Burley Highway District for highway purposes as disclosed by Warranty Deed, by and between Wood River Investments, L.L.C., an Idaho limited liability company, as Grantor and Burley Highway District, a body corporate and politic, as Grantee, dated July 8, 2005 and recorded September 20, 2007 as Instrument No. 2007-318345, records of Cassia County, Idaho.

PARCEL NO. 7:

TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
 CASSIA COUNTY, IDAHO

Section 33: N½NW¼, **SAVE AND EXCEPT** that portion deeded to the Burley Highway District for highway purposes as disclosed by Warranty Deed, by and between Wood River Investments, L.L.C., an Idaho limited liability company, as Grantor and Burley Highway District, a body corporate and politic, as Grantee, dated July 8, 2005 and recorded September 20, 2007 as Instrument No. 2007-318345, records of Cassia County, Idaho.

ALSO EXCEPTING the following described tract:

Commencing at a brass cap marking the Northwest corner of said Section 33; thence along the west boundary of the said NW¼NW¼ of Section 33, Thence South 00°01'16" East for 32.98 feet to an iron pin on the south right of way line of Yale Road, said point marking the Point of Beginning;
 Thence leaving said west boundary along said south right of way line South 89°51'44" East for 211.55 feet to an iron pin;
 Thence continuing South 89°47'15" East for 225.23 feet to an iron pin;
 Thence leaving said south right of way line along a line easterly of and parallel with said west boundary of the NW¼NW¼ of Section 33, Thence South 00°01'16" East for 298.25 feet to an iron pin;
 Thence along a line south of and parallel with the north boundary of said NW¼NW¼ of Section 33, Thence South 89°56'49" West for 436.77 feet to an iron pin on said west boundary of the NW¼NW¼ of Section 33;
 Thence along said west boundary North 00°01'16" West for 300.00 feet to the Point of Beginning.



PARCEL NO. 8:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 33: SW¼

PARCEL NO. 9:
TOWNSHIP 11 SOUTH, RANGE 26 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 1: ALL, SAVE AND EXCEPTING the following described tract:

Beginning at an iron pin marking the Southwest corner of said Section 1; Thence along the west boundary of said SW¼SW¼ of Section 1; Thence North 00°02'22" East for 247.04 feet to an iron pin; thence leaving said west boundary along a line north of and parallel with the south boundary of said SW¼SW¼ of Section 1; Thence South 89°29'54" East for 529.00 feet to an iron pin; Thence along a line east of and parallel with said west boundary of the SW¼SW¼ of Section 1; Thence South 00°02'22" West for 247.04 feet to an iron pin on said south boundary of the SW¼SW¼ of Section 1; Thence North 89°29'54" West for 529.00 feet to the Point of Beginning.

PARCEL NO. 10:
TOWNSHIP 11 SOUTH, RANGE 26 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 12: NW¼

LESS, commencing at the Northwest corner of said Section 12, running Thence South 50 feet; Thence East on a line parallel with the North boundary line of the said Section 12 and 50 feet South therefrom to the East boundary line of the NW¼ of said Section 12; Thence North 50 feet to the North boundary line of said Section 12; Thence West 2640 feet along the North boundary line of said Section 12 to the Point of Beginning.

PARCEL NO. 11:
TOWNSHIP 11 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 4: ALL

PARCEL NO. 12:
TOWNSHIP 11 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 5: ALL

PARCEL NO. 13:
TOWNSHIP 11 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: E½

PARCEL NO. 14:
TOWNSHIP 11 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: W½

PARCEL NO. 15:
TOWNSHIP 11 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 8: ALL

PARCEL NO. 16:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 33: S½N½ and SE¼

PARCEL NO. 17:
TOWNSHIP 10 SOUTH, RANGE 27 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 31: Part of the NW¼, more particularly described as follows:

Beginning at the W¼ section Corner of Section 31, said corner marked by a US BLM aluminum pipe with cap; Thence North 00°00'25" East along the West line of Section 31 for a distance of 1367.40 feet to the Point of Beginning;
Thence North 00°00'25" East along the West line of Section 31 for a distance of 254.97 feet;
Thence South 89°51'32" East for a distance of 24.56 feet to a 3/8 inch rebar;
Thence South 89°51'32" East for a distance of 1369.51 feet to a ½ inch rebar;
Thence South 00°00'00" West for a distance of 254.97 feet;
Thence North 89°51'32" West for a distance of 1369.10 feet to a ½ inch rebar;
Thence North 89°51'32" West for a distance of 25.00 feet to the Point of Beginning.

EXHIBIT B

Additional Property

(list specific additional Property, if any)

(a) all buildings, structures, improvements, fixtures, attachments, appliances, equipment, machinery and other articles now or hereafter erected on, affixed or attached to, or located in or on the real estate and any interest in the real estate located in Cassia County, Idaho, and described in EXHIBIT A (the "Land"), including all watering and irrigation apparatus, pumps, motors, generators, pipes, center pivot irrigators and sprinklers, windmills, and fences (the "Improvements");

(b) all easements, rights-of-way and rights appurtenant to the Land or used in connection the Land or as a means of access thereto ("Easements");

(c) the ground water on, under, pumped from or otherwise available to the Collateral or any drainage, retention, ditch, canal, reservoir, or other water rights, whether as a result of overlying groundwater rights, contractual rights, or otherwise and whether riparian, appropriative, or otherwise; the right to remove or extract any such ground water including any permits, rights or licenses granted by any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government ("Governmental Authority") and any rights granted or created by any easement, covenant, agreement or contract with any Person; and any rights to which the Collateral or Debtor is entitled with respect to surface water, whether such rights are appropriative, riparian, prescriptive or otherwise and whether or not pursuant to historical use, contractual agreement, permit or other governmental authorization; any water right, water allocation for water not yet delivered, distribution right, delivery right, any prescriptive, contractual, easement or other rights necessary or convenient to convey any water to the Collateral, water storage right, or other water-related entitlement appurtenant to or otherwise applicable to the Collateral by virtue of the Collateral being situated within the boundaries of any governmental water district irrigation district or other local agency or within the boundaries of any private water company, mutual water company, or other non-governmental entity (collectively, "Water Rights"); including Certificates numbered _____ representing _____ shares of the capital stock of _____ and the water rights represented thereby; and all water rights represented by Permit or License No. 43-2471, 43-2472, 43-2475, 43-2488, 43-2489, 43-2504, 43-2516, 43-2517, 43-2519, 43-2575, 43-4199, 43-13351, 43-13352, 43-13577, 43-13578, 43-13603, 43-2505, 43-13604 issued by the Idaho Department of Water Resources all water rights represented by Claim No. _____ filed in the Snake River Basin Adjudication proceeding now pending in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls under Case No. _____;

(d) all other tenements, hereditaments and appurtenances to the Land;

(e) minerals, oil, gas, and other hydrocarbon substances, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under and on the Land and other oil, gas and mineral interests with which any of the foregoing interests or estates are pooled or unitized (the "Mineral Rights");

(f) timber now or hereafter standing or cut;

(g) leases, subleases, licenses, occupancy agreements, concessions and other agreements, granting a possessory interest in and to, or the right to extract, mine, reside in, sell, or use the Collateral (collectively, the "Leases");

(h) all utility contracts, maintenance agreements, management agreements, service contracts and other agreements directly related to the operation and maintenance of the Collateral;

i) all bushes, groves, trees, plants, vines or other plantings, upon or under the Land ("Plantings");

(j) any shares, or any rights under such shares, of any private water company, mutual water company, or other non-governmental entity pursuant to which Debtor or the Collateral may receive water (collectively, the "Water Stock") and any other certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts, including all stock, bonds and commodities contracts, or other investment property described in EXHIBIT C attached;

(k) working drawings, instructional manuals, and rights in processes directly related to the operation of the Collateral, and all other general intangibles described in EXHIBIT C;

(l) other tangible personal property of every kind and description, whether stored on the Land or elsewhere, including all goods, materials, supplies, tools, books, records, chattels, furniture, machinery and equipment (except motor vehicles, trailers, and planting, tillage and harvesting equipment rolling stock) or which is in all cases (i) directly related to the operation of the Collateral or acquired in connection with any construction or maintenance of the Land or the Improvements, (ii) affixed or installed, or to be affixed or installed, in any manner on the Land or the Improvements, or (iii) described in EXHIBIT C attached;

(m) all permits and licenses relating or pertaining to the use or enjoyment of the Collateral;

(n) proceeds of and any unearned premiums on any insurance policies covering the Collateral, including the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Collateral (the "Insurance Claims");

(o) all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Real Estate (the "Condemnation Awards");

(p) money or other personal property of Debtor in addition to the foregoing deposited with or otherwise in Mortgagee's or Secured Parties possession;

(q) rights and interests under any interest rate swap, interest rate caps, interest rate collars or other similar agreement between Borrower and a Swap Counterparty, for the purpose of fixing or limiting interest expense, or any foreign exchange, currency hedging, commodity hedging, security hedging or other agreement between Grantor, Lance Don Funk, Lisa I. Funk and Lance & Lisa Funk Partnership and Secured Parties or any of their affiliates, for the purpose of limiting the market risk of holding currency, a security or a commodity in either the cash or futures markets, including all rights to the payment of money from Secured Parties under the Hedging Agreements; and all accounts, deposit accounts, and general intangibles, including payment intangibles, described in any of the Hedging Agreements;

(r) all other real or personal property described in EXHIBIT C;

(s) the right, in the name and on behalf of Debtor, upon notice to Debtor, to appear in and defend any action or proceeding brought with respect to the Collateral and to commence any action or proceeding to protect the interest of Mortgagee or Secured Parties in the Collateral; and

(t) substitutions, replacements, additions, accessions and proceeds for or to any of the foregoing, and all books, records and files relating to any of the foregoing, including, without limitation, computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

EXHIBIT C

Additional Property

(list specific additional Property, if any)

None



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

March 2, 2016

RABO AGRIFINANCE INC
12443 OLIVE BLVD STE 50
ST LOUIS MO 63141

RE: Notice of Security Interest for Water Right/Permit No(s): 43-2471, 43-2472, 43-2475, 43-2488, 43-2489, 43-13578, 43-2504, 43-2516, 43-2517, 43-2519, 43-2575, 43-2505, 43-4199, 43-13351, 43-13352, 43-13577, 43-13603 and 43-13604

Dear Party Holding Security Interest:

The Department of Water Resources 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 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 Sections 42-222 and 42-223, Idaho Code.

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,

Jean Hersley
Technical Records Specialist II

Enclosure

c: Lance & Lisa Funk

Hersley, Jean

From: Scott, T (Tammie) <Tammie.Scott@raboag.com>
Sent: Thursday, January 21, 2016 10:31 AM
To: Hersley, Jean
Subject: RE: Notice of Change in Water Right Ownership for Lance and Lisa Funk
Attachments: 20160121111212334.pdf

Hi Jean, Please see attached. I really appreciate your help with this.

Thank you,
Tammie Scott
Loan Closing Specialist

Rabo AgriFinance
12443 Olive Boulevard, Suite 50, St. Louis, Missouri 63141
Phone: (314) 317-8088
Email: tammie.scott@raboag.com
 Please consider the environment before printing this e-mail.

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Thursday, January 21, 2016 9:11 AM
To: Scott, T (Tammie)
Subject: Notice of Change in Water Right Ownership for Lance and Lisa Funk

The Idaho Department of Water Resources received a request for a Notice of Change in Water Right Ownership for Lance and Lisa Funk. A security agreement was attached to the request. The Funks submitted a change of ownership to our Southern Region office in December, 2015. I am assuming you meant to file a Notice of Security Interest in a Water Right. I have attached the form for your convenience. Please fill out the form and return to the Department by responding to this email, faxing it to (208) 287-6700, Attn: Jean, or you can mail it to: IDWR, PO Box 83720, Boise, Idaho, 83720-0098. You do not need to send any additional fees. If you have any questions, please contact me. Thank you.

Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942

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