

RECEIVED

JAN 03 2014

DEPT. OF WATER RESOURCES  
SOUTHERN REGIONSTATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES**Notice of Security Interest in a Water Right****And Request for Notification of a Change in Ownership or Any Proposed  
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right**Please print or type. Attach pages with additional information. Instructions are on the back of this page.  
Incomplete forms will be returned.

1. Water Right No(s): See Attached Exhibit A  
Adjudication Claim No(s): See Attached Exhibit A
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  
Metropolitan Life Insurance Company  
10801 Mastin Blvd., Suite 930  
Overland Park, KS 66210
4. Name of Water Right Owner/Claimant(s)  
B & H Farming
5. Expiration Date of Notification Period April 1, 2034
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s)   
(and title if applicable) Director

**For Office Use Only**

|              |           |      |                 |             |                |
|--------------|-----------|------|-----------------|-------------|----------------|
| Received by  | _____     | Date | _____           | Fee         | <u>\$275-</u>  |
| Received by  | <u>DM</u> | Date | <u>1-6-2014</u> | Receipt No. | <u>SO33742</u> |
| Processed by | _____     | Date | _____           | WR          | _____          |

**SUPPORT DATA**IN FILE # 36-2118

## EXHIBIT A

| <i>Right Number</i> | <i>Priority Date</i> | <i>Status</i> | <i>Diversion<br/>Rate</i> |
|---------------------|----------------------|---------------|---------------------------|
| 36-7296             | 11-Apr-73            | Decreed       | 3.81 cfs                  |
| 36-2587             | 19-Feb-64            | Decreed       | 5.79 cfs                  |
| 36-4264             | 1-Apr-74             | Decreed       | 2 cfs                     |
| 36-16206            | 14-Apr-83            | Decreed       | 1.91 cfs                  |
| 36-2118             | 25-May-51            | Decreed       | 4.4 cfs                   |
| 36-11643            | 1-Apr-81             | Decreed       | 1 cfs                     |
| 36-2195A            | 25-Feb-53            | Decreed       | 3.61 cfs                  |
| 36-2322             | 2-Apr-57             | Decreed       | 4.04 cfs                  |
| 36-2323             | 15-Apr-57            | Decreed       | 3.37 cfs                  |
| 36-2570             | 20-Jun-63            | Decreed       | 0.08 cfs                  |
| 36-15226            | 15-Jun-73            | Decreed       | 0.36 cfs                  |

THIS INSTRUMENT PREPARED BY:

Virginia M. Pedrelra  
Stoel Rives LLP  
600 University Street  
Suite 3600  
Seattle, WA 98101-4109  
(206) 386-7632

**Recorded Electronically**

ID 20130216135  
County Twin Falls County  
Date 12-27-2013 Time 01:46:53pm  
Simplifile.com 800.460.5657

**Recorded Electronically**

ID 2135834  
County Jerome County  
Date 12-27-2013 Time 12:52:30pm  
Simplifile.com 800.460.5657

**Recorded Electronically**

ID 525615  
County Minidoka County  
Date 12-27-2013 Time 01:31:29pm  
Simplifile.com 800.460.5657

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Metropolitan Life Insurance Company

10801 Mastin Blvd., Ste 930

Overland Park, KS 66210-2101

Attn: Loan Manager, Central Region

50721 / 4608 / J-41932

Space above this line for Recorder's Use

B&H Farming

Loan No: 196782

**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,  
AND FIXTURE FILING**

*(This Mortgage is executed in three (3) original counterparts for concurrent recording in  
Minidoka, Twin Falls and Jerome Counties, Idaho)*

THIS MORTGAGE ALSO CONSTITUTES A FINANCING STATEMENT FILED AS A FIXTURE FILING UNDER THE  
UCC

SEE ARTICLE 9 FOR ADDRESS OF GRANTOR AND MORTGAGEE

This mortgage is dated as of December 26, 2013, and is by B & H FARMING, an Idaho general partnership, RANDY ALLEN BAUSCHER (also known as Randy Bauscher, also known as Randy A. Bauscher), a married man, THOMAS RAYMOND HAYNES (also known as Thomas Haynes, also known as Thomas R. Haynes) and SUSAN CRYSTAL HAYNES (also known as Susan Haynes, also known as Susan C. Haynes), husband and wife, IDAHO AG., INC., an Idaho corporation, B & H, INC., an Idaho corporation, CERES AG., LLC, an Idaho limited liability company, B&H LAND, LLC, an Idaho limited liability company, B&H OPERATIONS, LLC, an Idaho limited liability company, B&H EQUIPMENT, LLC, an Idaho limited liability company, B&H FINANCING, LLC, an Idaho limited liability company, KEY NATIONAL TRUST COMPANY OF DELAWARE, as trustee of the BAUSCHER IRREVOCABLE TRUST, and BAUSCHER INVESTMENTS, LLC, an Idaho limited liability company (individually and collectively, "Grantor"), to and in favor of METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation ("Mortgagee").

Mortgagee has agreed to make a loan in the original principal sum of \$~~10,500,000.00~~ to Grantor under the terms and conditions of the Loan Agreement between Grantor and Mortgagee dated as of the date of this mortgage (the "Loan Agreement").

Each capitalized term used in this mortgage that is defined in the Loan Agreement and not defined in this mortgage will have the meaning specified in the Loan Agreement. This mortgage will be interpreted in accordance with the Drafting Conventions.

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Virginia M. Pedreira  
Stoel Rives LLP  
600 University Street  
Suite 3600  
Seattle, WA 98101-4109  
(206) 386-7632

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
Metropolitan Life Insurance Company  
10801 Mastin Blvd., Ste 930  
Overland Park, KS 66210-2101  
Attn: Loan Manager, Central Region

**Instrument # 525615**

MINIDOKA COUNTY, RUPERT, IDAHO  
12-27-2013 01:37:29 PM No. of Pages: 61  
Recorded for: LAND TITLE AND ESCROW - BURLEY  
PATTY TEMPLE Fee: \$160.00  
Ex-Officio Recorder Deputy Kenna Watson  
Electronically Recorded by Simplifile

50721 / 4608 / J-41932

Space above this line for Recorder's Use

B&H Farming  
Loan No: 196782

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600 University Street  
Suite 3600  
Seattle, WA 98101-4109  
(206) 386-7632

Instrument # 2135834  
JEROME COUNTY, JEROME, IDAHO  
12-27-2013 12:52:30 PM No. of Pages: 61  
Recorded for: LAND TITLE AND ESCROW - BURLEY  
MICHELLE EMERSON Fee: \$160.00  
Ex-Officio Recorder Deputy: JW  
Electronically Recorded by Simplifile

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
Metropolitan Life Insurance Company  
10801 Mastin Blvd., Ste 930  
Overland Park, KS 66210-2101  
Attn: Loan Manager, Central Region

50721 / 4608 / J-41932

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B&H Farming  
Loan No: 196782

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RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Metropolitan Life Insurance Company  
10801 Mastin Blvd., Ste 930  
Overland Park, KS 66210-2101  
Attn: Loan Manager, Central Region

TWIN FALLS COUNTY  
RECORDED FOR:  
LAND TITLE AND ESCROW - BURL  
01:46:53 PM 12-27-2013  
**2013026135**  
NO. PAGES 51 FEE: \$160.00  
KRISTINA GLASCOCK  
COUNTY CLERK  
DEPUTY: DJW  
Electronically Recorded by Simplifile

50721 / 4608 / J-41932

Space above this line for Recorder's Use

B&H Farming  
Loan No: 196782

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## ARTICLE 1 – GRANT

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 mortgages, warrants, grants, bargains, sells, and conveys to Mortgagee, with right of entry and possession, all of Grantor's estate, right, title and Interest which Grantor now has or may later acquire in the following, wherever located, and whether constituting real estate or personal property (Individually and collectively, the "**Property**"):

- (1) the real estate and any interest in the real estate located in Minidoka, Twin Falls and Jerome Counties, Idaho, and described in EXHIBIT A (the "**Land**");
- (2) buildings, structures, improvements, and fixtures now or hereafter erected on, affixed or attached to the Land, including all farm products storage and handling units and equipment, and fences, gates and loading chutes (the "**Improvements**");
- (3) to the extent not included within the definition of "Improvements," (A) wells, irrigation and drainage pumps, motors, pipes, windmills, frost protection equipment, center pivot irrigators, sprinklers, drip line and emitters, filters, water measurement meters and control structures and other watering and irrigation equipment, including that equipment described on EXHIBIT B; and (B) all other equipment now or hereafter affixed or installed in any manner on the Land or the improvements or used in connection with the operation of the Property (other than rolling stock and implements customarily towed) (the "**Equipment**");
- (4) easements, rights-of-way, and other rights and entitlements appurtenant to the Land or used in connection with the Land or as a means of access thereto (the "**Easements**");
- (5) other tenements, hereditaments and appurtenances to the Land;
- (6) rights to the use and enjoyment of water, whether surface or subsurface, whether riparian, appropriative, prescriptive or otherwise, and whether or not appurtenant, now or hereafter relating or available to the Land or improvements or used in connection therewith: (A) water allocations, water banking rights or interests, carryover rights, supplemental water, storage and exchange rights, drainage rights, distribution rights, storage rights, delivery rights, and other water-related rights or entitlements, whether available through any public or private irrigation projects, companies, districts, agencies or otherwise, together with all shares of stock evidencing any such rights or entitlements, and all voting rights and other rights and privileges that now or hereafter may exist with respect to such stock or with respect to participation, membership, or other involvement in any such projects, companies, districts, or agencies; (B) water and water inventory in storage; (C) rights under well, pump and filter sharing agreements; and (D) all easements, permits, licenses, leases, contracts, grants, reservations and any other rights and entitlements, however created, to drill, install and maintain wells, pumps and pipeline systems, or to use, appropriate, pump, extract, receive, transport, store or transfer water, including the rights described on EXHIBIT C ("**Water Rights**");
- (7) shares, and 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, including the shares described on EXHIBIT D (individually and collectively, the "**Water Stock**") and any other certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts;

- (8) coal, oil, gas, and other hydrocarbon substances, geothermal resources, minerals, mineral interests, royalties, overriding royalties, production payments, net profit interests and other interests and estates in, under or produced from the Land and other coal, oil, gas, geothermal, and mineral interests with which any of the foregoing interests or estates are pooled or unitized and other "as-extracted collateral" (the "**Mineral Rights**");
- (9) timber now or hereafter standing on or cut from the Land;
- (10) 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, (individually and collectively, the "**Leases**");
- (11) working drawings, instructional manuals, and rights in processes directly related to the operation of the Property;
- (12) contracts involving and warranties covering the Property;
- (13) permits and licenses relating or pertaining to the use or enjoyment of the Property including, without limitation, livestock confinement permits, nutrient management permits, spreading agreements and water licenses and permits;
- (14) 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**");
- (15) 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 Land or improvements (the "**Condemnation Awards**");
- (16) 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 in the Property;
- (17) accessions, attachments and other additions to, substitutes or replacements for, all proceeds and products of, the Property; and
- (18) books, records and files relating to the Property, including computer readable memory and data and any computer software or hardware reasonably necessary to access and process such memory and data.

## ARTICLE 2 - ASSIGNMENT OF RENTS

2.01 **Assignment.** Grantor irrevocably and unconditionally assigns Mortgagee all rents and other benefits derived from the Leases, and all other issues, profits, royalties, bonuses, income and other proceeds of the Property, whether now due, past due or to become due, including all prepaid rents, security deposits and other supporting obligations (collectively, the "**Rents**").

2.02 **Grant of License.** Notwithstanding the provisions of Section 2.01, Mortgagee confers upon Grantor a revocable license to collect and retain the Rents as they become due and payable, so long as there is no Event of Default (the "**License**"). If an Event of Default has occurred, Mortgagee may terminate the License without notice to or demand upon Grantor.

2.03 **Collection and Application of Rents.** Subject to the License granted to Grantor under Section 2.02, Mortgagee has the right, power and authority to collect any and all Rents. Mortgagee, by its acceptance of this mortgage does not assume any duty or obligation under the Leases.

2.04 **Notice.** All lessees under any and all Leases are hereby irrevocably authorized and notified by Grantor to rely upon and to comply with (and are fully protected in so doing) any notice or demand by Mortgagee for the payment to Mortgagee of Rents, or for the performance of any of lessees' undertakings under the Leases, and lessees shall have no right or duty to inquire as to whether any Event of Default has actually occurred or is then existing hereunder. Subject to the License, Mortgagee may notify any person that the leases have been assigned to Mortgagee and that all Rents are to be paid directly to Mortgagee, whether or not Mortgagee has commenced or completed foreclosure of or taken possession of the Property.

2.05 **Proceeds.** Mortgagee may apply all amounts received by it pursuant to this assignment to pay any of the following in such amounts and in such order as Mortgagee deems appropriate: (a) any and all Secured Obligations; (b) all expenses of leasing, operating, maintaining and managing the Property, including without limitation, the salaries, fees, commissions and wages of a managing agent and such other employees, agents or independent contractors as Mortgagee deems necessary or desirable; (c) all taxes, charges, claims, assessments, any other liens, and premiums for all insurance Mortgagee deems necessary or desirable; (d) the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Property.

2.06 **Mineral Rights.** Without limitation of the foregoing, Grantor irrevocably and unconditionally assigns and transfers to Mortgagee, all bonuses, delay rentals, royalties, production payments, and other sums payable or benefits accruing to Grantor under any and all oil, gas, coal, or other minerals leases now existing or hereafter entered into with respect to the Land. So long as there is no Event of Default, all such sums may continue to be paid to Grantor. Upon an Event of Default, Mortgagee may demand and receive all such sums to apply to pay Secured Obligations, expenses of leasing, operating, maintaining and managing the Property, taxes, charges, claims, assessments, any other liens, and premiums for insurance, in such amounts and in such order as Mortgagee deems appropriate. Grantor has not and will not grant any consent required of the owner of the Property for mining or other surface disturbance on the Property by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Mortgagee. This paragraph shall not obligate or require Mortgagee to subordinate its interests under this mortgage to any oil, gas, coal, or other mineral lease or agreement.

2.07 **Wind Development Agreements.** Without limitation of the foregoing, Grantor irrevocably and unconditionally assigns and transfers to Mortgagee, all bonuses, option payments, royalties, production payments, rents, payments, and other sums payable or benefits accruing to Grantor under any and all wind development agreements, easements, and leases now existing or hereafter entered into with respect to the Land. So long as there is no Event of Default, all such sums may continue to be paid to Grantor. Upon an Event of Default, Mortgagee may demand and receive all such sums to apply to pay Secured Obligations, expenses of leasing, operating, maintaining and managing the Property, taxes, charges, claims, assessments, any other liens, and premiums for insurance, in such amounts and in such order as Mortgagee deems appropriate. Grantor has not and will not grant any consent required of the owner of the Property for wind development on the Property by the terms of any deed, statute, law or otherwise, without the prior written consent of Mortgagee. This paragraph shall not obligate or require Mortgagee to subordinate its interests under this mortgage to any wind development agreement, easement or lease.

2.08 **Subordination of Leases.** To the extent there exist any Leases by and between Persons constituting Grantor for the use or occupancy of the Property, this Mortgage, and the Loan Documents, and all supplements, amendments, assignments and modifications thereof shall unconditionally be and

remain at all times a lien on the Property prior and superior to any such Leases, the leasehold estate and other interests created thereby and to all rights and privileges of the Grantor, as lessee, thereunder, including without limitation any options or rights of first refusal set forth therein. Any such Leases, the leasehold estate and other interests created thereby, and all rights and privileges of Grantor thereunder, are hereby unconditionally subjected and made subordinate to the lien or charge of this mortgage and the terms of the Loan Documents (and each of them) In favor of Mortgagee.

#### ARTICLE 3 – SECURITY AGREEMENT

3.01 **Grant of Security Interest.** Grantor grants Mortgagee a security Interest In and pledges and assigns to Mortgagee all of Grantor's right, title and Interest In all Property to the extent and which may be characterized as personal property (the "Personalty"), including the Improvements, Equipment and Water Rights.

3.02 **Addresses of Debtor and Secured Party.** The address of Grantor adjacent to its signature below is the mailing address of Grantor as debtor under the UCC. The address for Mortgagee specified in Article 9 is the address for Mortgagee as secured party under the UCC. Grantor's principal place of business, or its chief executive office, if it has more than one place of business, is located at 83 North 100 East, Rupert, ID 83350.

3.03 **Fixture Filing.** This mortgage constitutes a financing statement filed as a fixture filing under the UCC, covering any Property which now is or later may become a fixture attached to the Land or any Improvement. For this purpose, the "debtor" is Grantor, the "Secured Party" is Mortgagee and the collateral is the Property.

#### ARTICLE 4 – SECURED OBLIGATIONS

4.01 **Secured Obligations.** Subject to Section 4.05, Grantor makes the mortgage, grant, conveyance, transfer and assignment in Article 1, makes the Irrevocable and absolute assignment in Article 2, and grants the security interest under Article 3 to secure payment and performance of the following obligations (the "Secured Obligations") In any order of priority that Mortgagee may choose:

- (1) all Obligations (defined In the Loan Agreement), Including: (A) those evidenced by the Promissory Note dated as of the date of this mortgage, from Grantor to Mortgagee in the original principal amount of ~~910,500,000.00~~ **110,500,000.00** (the "Note") and (B) all other indebtedness, liabilities and obligations of Grantor to Mortgagee arising pursuant to any of the Loan Documents, whether now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several;
- (2) all obligations of Grantor under this mortgage;
- (3) all Interest and any disbursements made for the payment of taxes, levies, or insurance on the Property, and the repair, maintenance or improvements of the Property pursuant to the Loan Documents, and all other protective advances, with interest on those disbursements;
- (4) all future advances and other obligations that Grantor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when a writing evidences the parties' agreement that the advance or obligation be secured by this mortgage;
- (5) all modifications, amendments, extensions, and renewals, however evidenced, of any of the Secured Obligations; and

- (6) any of the foregoing that arises after the filing of a petition by or against Grantor under an Insolvency Proceeding.

**4.02 Future Secured Obligations.** The Secured Obligations include future advances made by Mortgagee for any purpose in connection with the loan secured by this mortgage, and all other future Secured Obligations. Those future advances and other future Secured Obligations, together with interest thereon, are secured by this mortgage to the same extent as if made or incurred on the date of the execution of this mortgage, and have priority as to third persons with or without actual notice from the time this mortgage is filed for record as provided by law. The total amount of indebtedness secured by this mortgage may decrease or increase from time to time. Grantor shall not file of record or serve Mortgagee with any notice limiting the maximum amount secured by this mortgage to any amount. Nothing in this Section 4.02 will constitute a commitment to make additional or future advances in any amount.

**4.03 Maturity Date.** The scheduled maturity date of the Note is April 1, 2034.

**4.04 Notice of Terms of Secured Obligation Documents.** All persons who have or acquire an interest in the Property will be deemed to have received notice of, and will be bound by, the terms of the Loan Agreement, the other Loan Documents, and each other agreement or instrument made or entered into in connection with each of the Secured Obligations (the Loan Agreement, the Loan Documents and those other agreements or instruments, the "**Secured Obligation Documents**"). These terms include any provisions in the Secured Obligation Documents which may permit or provide that the rate of interest on one or more of the Secured Obligations may vary from time to time. The obligations secured hereby may provide for the interest rate, payment terms, or balance due to be indexed, adjusted, renewed or renegotiated. Without limitation, the Loan Agreement expressly provides that Lender may at its option change or adjust the interest rate as referenced therein.

**4.05 Unsecured Obligations.** This mortgage does not secure any indebtedness, liability or obligation that is expressly stated to be unsecured.

#### ARTICLE 5 – WARRANTY OF TITLE

**5.01 Warranty of Title.** Grantor represents and warrants that, other than the exceptions to title expressly listed on a schedule of exceptions to coverage in the final commitment for title insurance or pro forma policy of title insurance accepted by Mortgagee prior to the Closing (the "**Permitted Exceptions**"), Grantor lawfully possesses and holds fee simple title to all of the Land and Improvements; that Grantor has the right, power and authority to mortgage, grant, convey and assign the Property; and that the Property is unencumbered. Grantor especially agrees and declares that the separate estate of each of them, whether vested, contingent or in expectancy, is hereby conveyed and shall be bound for the payment and performance of the Secured Obligations.

**5.02 Defense and Notice of Claims and Actions.** At Grantor's sole expense, Grantor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this mortgage and the rights and powers of Mortgagee created under it, against all adverse claims. Grantor must give Mortgagee prompt notice in writing if any claim is asserted which does or could affect any of these matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

**5.03 Liens, Charges and Encumbrances.** Grantor shall immediately discharge any lien, charge or encumbrance on the Property other than Permitted Exceptions, to which Mortgagee has not consented in writing. Grantor must pay when due all claims for labor performed and material furnished

to the Property and all other obligations secured by or reducible to a lien, charge or encumbrance which now does or later may encumber or appear to encumber all or part of the Property or any Interest in it, whether the lien, charge or encumbrance is or would be senior or subordinate to this mortgage.

#### ARTICLE 6 - REPRESENTATIONS

6.01 **Representations.** Grantor represents to Mortgagee that:

- (1) the Property does not represent the proceeds of unlawful activity under any state, federal or foreign law;
- (2) the Property includes all property and rights which may be reasonably necessary or desirable to enable Grantor to use, enjoy and operate the Land, the Improvements, the Water Rights and the Equipment for the present uses thereof;
- (3) the Property is taxed and billed separately from real property not subject to this mortgage;
- (4) none of the Land or Improvements is subject to any Lien, offset or claim except any easements, restrictions, and Liens for taxes and assessments on the Land and Improvements, if any, which are not yet due and payable, which are expressly listed on a schedule of exceptions to coverage in the final commitment for title insurance or pro forma policy of title insurance received by Mortgagee prior to the Closing;
- (5) Grantor owns the Personalty free and clear of any security interests, reservations of title or conditional sales contracts, and there is no presently valid financing statement affecting the Personalty on file in any public office except as disclosed in writing to Mortgagee prior to the Closing;
- (6) Grantor has title to, or (in the case of leased property) valid leasehold interests in, all of their properties and assets, real and personal, including the properties and assets and leasehold interests reflected in the Financial Information (other than any properties or assets disposed of in the ordinary course of business) ;
- (7) the legal name of Grantor is as appears in this mortgage;
- (8) Grantor has not used any trade name, assumed name or other name except Grantor's name stated in this mortgage;
- (9) each Grantor who is a natural Person resides at the address adjacent to his or her signature below;
- (10) if Grantor is anything other than a natural Person, it has complied with all Applicable Laws concerning its organization, existence and the transaction of its business, and is in existence and good standing in its state of organization and each state in which it conducts its business;
- (11) the execution, delivery and performance by Grantor of this mortgage is within the powers and authority of Grantor and has been duly authorized;
- (12) to Grantor's knowledge, this mortgage does not conflict with any Applicable Law;
- (13) this mortgage is a legal, valid and binding agreement of Grantor, enforceable against Grantor in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable;

- (14) there is no lawsuit, tax claim or other dispute pending or to Grantor's knowledge threatened against Grantor or the Property that, if determined adverse to Grantor, is reasonably likely to have a Material Adverse Effect;
- (15) Grantor is not the subject of any Judgment;
- (16) this mortgage does not conflict with, nor is Grantor in default on any loan agreement, indenture, purchase agreement, guaranty, capital lease, or other investment, agreement, or arrangement presently in effect providing for or relating to extensions of credit in respect of which Grantor is in any manner directly or contingently obligated;
- (17) Grantor has filed all tax returns (federal, state, and local) required to be filed and has paid all taxes, assessments, and governmental charges and levies thereon, including interest and penalties;
- (18) before signing this mortgage, Grantor researched, to the satisfaction of Grantor, and inquired into the previous uses and ownership of the Real Estate, and based on that due diligence, to the best of Grantor's knowledge, no Hazardous Substance has been disposed of or released or otherwise exists in, on, under or onto the Real Estate, except as Grantor has disclosed to Mortgagee in the Environmental Information;
- (19) Grantor has complied with all current and future laws, regulations and ordinances or other requirements of any governmental authority relating to or imposing liability or standards of conduct concerning protection of health or the environment or hazardous substances ("**Environmental Laws**");
- (20) Grantor has not received any notices of violations of any Applicable Laws (including Environmental Laws); and Grantor is in compliance with all Applicable Laws;
- (21) there are no claims, actions, proceedings or investigations pending or threatened against Grantor or affecting the Property with respect to any violations of Applicable Laws, including, without limitation, any Environmental Law;
- (22) Grantor's place of business, or its chief executive office, if it has more than one place of business, is located at the address set forth in Article 3 hereof;
- (23) unless otherwise disclosed to Mortgagee, Grantor is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986;
- (24) there is no Event of Default or event which, with notice or lapse of time would be an Event of Default;
- (25) the Water Rights afford the continuing, enforceable right to receive irrigation water on the Property from such sources, in such quantities and at such times and locations as has historically been available to the Property without interruption or substantially increased cost and in any event, based on current projections, sufficient to provide adequate water and/or drainage to continue the current and proposed agricultural operations on the Property;
- (26) all irrigation wells and related facilities used to deliver irrigation water to any portion of the Property are physically located within the boundaries of such Property or the subject of valid, enforceable easements appurtenant to the Property and encumbered hereby. If the use of any irrigation facilities or water serving the Property requires consent or the use of other property, Grantor has obtained all requisite easements or other legally enforceable and assignable rights to use such facilities and/or water to service the Property; and

- (27) none of the Land is subject to The Reclamation Act of 1902, the Omnibus Adjustment Act of 1926, the Reclamation Reform Act of 1982 and any act or law supplementary thereto and all rules and regulations promulgated thereunder.

#### ARTICLE 7 – COVENANTS

7.01 **Performance of Secured Obligations.** Grantor shall promptly pay and perform each Secured Obligation in accordance with its terms.

7.02 **Maintenance and Preservation of Property.** Grantor shall:

- (1) immediately discharge any lien on the Property which Mortgagee has not consented to in writing, and shall also pay when due each obligation secured by or reducible to a lien, charge or encumbrance which now or hereafter encumbers or appears to encumber all or part of the Property, whether the lien, charge or encumbrance is or would be senior or subordinate to this mortgage;
- (2) not alter, remove or demolish any portion of the Improvements, except as permitted or required by the Loan Agreement;
- (3) not permit any tangible Personalty (except for Equipment being repaired or restored or crops harvested, stored and sold in accordance with customary farming practices) to be kept at any location other than on the Land;
- (4) if any Personalty is at any time in the possession of a bailee, Grantor shall promptly notify Mortgagee thereof and, at Mortgagee's request, shall promptly obtain an acknowledgement from the bailee, in form and substance reasonably satisfactory to Mortgagee, that the bailee holds the Personalty for the benefit of Mortgagee and such bailee's agreement to comply with any instructions received from Mortgagee;
- (5) maintain (or cause to be maintained) all policies of insurance required under the Loan Agreement and pay (or cause payment of) all premiums for that insurance on or prior to the date when due;
- (6) promptly and completely repair and/or restore any portion of the Property which becomes damaged or destroyed, in a good and workmanlike manner in accordance with sound building practices, whether or not Grantor has received the proceeds of any Insurance Claim;
- (7) not commit or allow any waste of the Property, nor do or suffer to be done any act whereby the value of any part of the Property may be lessened;
- (8) not initiate or allow any change in any zoning or other land use classification which affects the Property or any part of it, except as permitted or required by the Loan Agreement;
- (9) maintain any forest, agricultural or similar tax classification of the Land, and not allow any act or omission which would disqualify the Land for beneficial tax assessment;
- (10) complete appropriation and adjudication and all other requirements, if any, necessary to obtain the issuance of any license or water permit issued to Grantor, and take all other steps required or advisable for purposes of perfecting and maintaining in good status all other Water Rights;
- (11) not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained by Grantor on the Property or any part of it under this mortgage; and

- (12) perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value and utility.

**7.03 Water Rights.** Grantor shall maintain the Water Rights during the term of the Loan at a level and of a nature sufficient to provide the continuing, enforceable right to receive irrigation water on the Property from such sources, in such quantities and at such times and locations as has historically been available to the Property without interruption or substantially increased cost and in any event sufficient to provide adequate water and/or drainage to continue the current and proposed agricultural operations on the Property. All existing Water Rights benefiting or available to the Property shall be maintained in full force and effect for the benefit of the Property by Grantor and applied to beneficial use so as to maintain the validity and priority of such rights. Grantor shall fully comply with, and not permit a default to occur under any water licenses, permits or delivery contracts used to provide water to the Property, and shall timely exercise all renewal or extension rights in such contracts. Grantor shall not modify, amend or terminate any Water Rights without Mortgagee's prior written consent. Grantor shall comply with the rules, regulations and ordinances of any water district, water agency or groundwater management agency in which the Property or any portion thereof is located and pay all related fees and assessments prior to delinquency. All irrigation wells and related facilities used to deliver irrigation water to any portion of the Property shall remain physically located within the boundaries of such Property or the subject of valid, enforceable easements appurtenant to the Property and encumbered hereby. If the use of any irrigation facilities or water serving the Property requires consent or the use of other property, Grantor shall maintain in effect all requisite easements or other legally enforceable and assignable rights to use such facilities and/or water to service the Property. Grantor shall notify Mortgagee if the irrigation water supply to any portion of the Property is interrupted or subject to interruption for any reason other than temporarily for routine maintenance or repairs in a manner that does not impair the operation of the Property.

**7.04 Operations on Property.** Grantor shall keep the Property in good condition and repair; operate the Property, whether improved pastures, orchards, grazing, timber, or crop lands, in a good and husband-like manner in accordance with accepted principles of sound agricultural and forestry practices in the area in which the Land is located; take all reasonable precautions to control wind and water erosion; fertilize improved pastures, if any, where necessary to maintain a good stand of desirable grasses; protect orchards and timber, if any, by reasonable precautions against loss or damage by fire including the maintenance of appropriate fire breaks; and neither to remove nor permit the removal of any oil, gas, mineral, stone, rock, clay, or gravel owned by Grantor, or any timber, buildings, top soil, or fertilizer, without the prior written consent of Mortgagee.

**7.05 Compliance with Applicable Law** Grantor shall not commit or allow any act upon or use of the Property which would violate any Applicable Law, whether now existing or later to be enacted and whether foreseen or unforeseen, or any public or private covenant, condition, restriction or equitable servitude affecting the Property.

**7.06 Taxes and Assessments.** Grantor shall pay: (a) prior to delinquency all taxes, levies, charges and assessments imposed by Applicable Law or any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it (individually and collectively "impositions"); (b) any and all intangible taxes and documentary stamp taxes determined at any time to be due on or as a result of the Secured Obligations, this mortgage or any other Loan Documents, together with any and all interest and penalties thereon; and (c) taxes, levies, charges and assessments on Mortgagee's or Secured Parties' interest therein or upon this mortgage or the Secured

Obligations (Individually and collectively, "**Mortgage Taxes**"); except that if the amount of Mortgage Taxes exceeds the Maximum Rate, Grantor will not be required to pay any such excess. If after the date of this mortgage, the State of Idaho passes any law deducting from the value of Land for the purpose of taxation any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by a mortgage for state or local purposes, or the manner of the collection of any such taxes, so as to affect this mortgage, then within 180 days after notice by Mortgagee to Grantor, Grantor shall pay all Secured Obligations. Notwithstanding the foregoing provisions of this Section 7.06, Grantor may, at its expense, contest the validity or application of any Imposition by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that: (a) Mortgagee is satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest; and (b) Grantor shall have posted a bond or furnished such other security required from time to time by Mortgagee.

**7.07 Damages and Insurance and Condemnation Proceeds.** Mortgagee may, at its option: (a) in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Property, and it may make any compromise or settlement of the action or proceeding; (b) participate in any action or proceeding relating to any Condemnation Award; and (c) join Grantor in adjusting any Insurance Claim. All insurance proceeds, Condemnation Awards, and proceeds of any other claim based on warranty, or for damage, injury or loss to the Property which Grantor may receive or be entitled to must be paid to Mortgagee. In each instance, Mortgagee may apply those proceeds first toward reimbursement of all of Mortgagee's costs and expenses of recovering the proceeds or Condemnation Award, including Legal Fees. The balance shall, at Mortgagee's option, be applied to pay or Prepay some or all of the Secured Obligations in such order and proportions as it may choose. GRANTOR HEREBY SPECIFICALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES ALL RIGHTS OF A PROPERTY OWNER WITH RESPECT TO ALLOCATION OF CONDEMNATION PROCEEDS BETWEEN A PROPERTY OWNER AND A LIENHOLDER.

**7.08 Site Visits, Observation and Testing.** Mortgagee and its agents and representatives may enter and visit the Property at any reasonable time for the purposes of observing it, performing appraisals, taking and removing soil or groundwater samples, and conducting tests on any part of it, as provided in the Loan Agreement, and otherwise to determine Grantor's compliance with this mortgage.

**7.09 Prohibited Transfers.**

(a) Grantor agrees that a material factor in Mortgagee's decision to enter into the Secured Obligation Documents is the expertise, financial status and other characteristics of Grantor. Grantor shall not make or permit any Prohibited Transfer. Upon any Prohibited Transfer Mortgagee may declare all Secured Obligations to be due and payable immediately. "**Prohibited Transfer**" means: (1) any sale, contract to sell, conveyance, encumbrance, pledge, mortgage, or lease of all or any portion of the Property not expressly permitted under this instrument or the other Secured Obligation Documents, or other transfer of all or any material part of the Property or any interest in it, including any transfer of Mineral Rights, Water Rights, or Water Stock, whether voluntary, involuntary, by operation of law or otherwise except that leases with a term of one year or less shall be permitted; (2) if Grantor is a corporation, any transfer or transfers of shares of more than ten percent (or such other portion, if any, permitted under the Loan Agreement) of the voting power or the direct or indirect beneficial ownership of Grantor, on a cumulative basis; (3) if Grantor is a partnership, withdrawal or removal of any general partner, dissolution of the partnership under Applicable Law, or any transfer or transfers of more than ten percent (or such other portion, if any, permitted under the Loan Agreement) of the partnership interests, on a cumulative basis; (4) if Grantor is a limited liability company, withdrawal

or removal of any manager or managing member, termination of the limited liability company or any transfer or transfers of more than ten percent (or such other portion, if any, permitted under the Loan Agreement) of the voting power or the ownership of the economic interest in the Grantor, on a cumulative basis; or (5) if Grantor is a trust, withdrawal or removal of any trustee or revocation of the trust; provided that the trustee of any trust which is a Grantor may be substituted provided that Grantor provides Mortgagee at least 30 days' prior written notice of such transfer.

(b) If there is a Prohibited Transfer, Mortgagee may, at Mortgagee's option, without limitation to any other rights or remedies available to Mortgagee upon an Event of Default, deem that the principal balance of the Loan and, to the extent permitted by Applicable Law, all other Obligations, will bear interest at the Contract Rate plus 2.00% per annum (the "Prohibited Transfer Rate"), retroactive to the date of the Prohibited Transfer (without regard to the date that Prohibited Transfer is discovered by Mortgagee) through the Maturity Date, and Grantor shall pay to Mortgagee, upon demand, the difference between the amount of interest calculated at the Contract Rate in effect at the time of the Prohibited Transfer and the amount of interest calculated at the Prohibited Transfer Rate from the date of the Prohibited Transfer to the date payment is received by Mortgagee (that amount, the "Prohibited Transfer Rate Adjustment Amount"). Mortgagee's rights under this Section 7.09(b) are an option available to Mortgagee, and unless elected by Mortgagee, a Prohibited Transfer will constitute an Event of Default and all Obligations will bear interest at the Default Rate.

**7.10 Compensation and Reimbursement of Costs and Expenses.** Grantor shall pay (1) fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Mortgagee when the law provides no maximum limit, for any services that Mortgagee may render in connection with this mortgage, including Mortgagee's providing a statement of the Secured Obligations; (2) all of Mortgagee's costs and expenses which may be incurred in rendering any such services; and (3) all costs, expenses and other advances which may be incurred or made by Mortgagee in any efforts to enforce any terms of this mortgage or protect the Property, including any rights or remedies afforded to Mortgagee under Section 8.02, whether any lawsuit is filed or not, including any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships, or in defending any action or proceeding arising under or relating to this mortgage, including Legal Fees, costs of any Foreclosure Sale (defined in Section 8.02) and any cost of evidence of title. If Mortgagee chooses to dispose of Property through more than one Foreclosure Sale, Grantor must pay all costs, expenses or other advances that may be incurred or made by Mortgagee in each of those Foreclosure Sales.

**7.11 Indemnification.** GRANTOR SHALL INDEMNIFY MORTGAGEE AGAINST AND SHALL HOLD MORTGAGEE HARMLESS FROM ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, CAUSES OF ACTION, JUDGMENTS, COURT COSTS, LEGAL FEES, COST OF EVIDENCE OF TITLE, COST OF EVIDENCE OF VALUE, AND OTHER COSTS AND EXPENSES WHICH MORTGAGEE MAY SUFFER OR INCUR: (A) IN PERFORMING ANY ACT REQUIRED OR PERMITTED BY THIS MORTGAGE OR ANY OF THE OTHER SECURED OBLIGATION DOCUMENTS OR BY LAW; (B) BECAUSE OF ANY FAILURE OF GRANTOR TO PAY OR PERFORM ANY OF THE SECURED OBLIGATIONS; OR (C) BECAUSE OF ANY ALLEGED OBLIGATION OF OR UNDERTAKING BY MORTGAGEE TO PERFORM OR DISCHARGE ANY OF THE REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS OR OTHER OBLIGATIONS IN ANY DOCUMENT RELATING TO THE PROPERTY (OTHER THAN SUCH WARRANTIES, CONDITIONS, COVENANTS OR OTHER OBLIGATIONS IN THE SECURED OBLIGATION DOCUMENTS). THIS AGREEMENT BY GRANTOR TO INDEMNIFY MORTGAGEE SURVIVES THE RELEASE AND CANCELLATION OF ANY OR ALL OF THE SECURED OBLIGATIONS AND THE FULL OR PARTIAL RELEASE OF THIS MORTGAGE.

7.12 Payments Due Under This Mortgage. Grantor must pay all obligations to pay money arising under this mortgage immediately upon demand by Mortgagee. Each such obligation shall bear interest from the date the obligation arises at the Default Rate.

#### ARTICLE 8 – EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. The following each shall be an event of default under this mortgage (an "Event of Default");

- (1) an Event of Default as defined in the Loan Agreement;
- (2) a Prohibited Transfer;
- (3) if Grantor is in default beyond applicable notice and grace periods under any other mortgage, deed of trust, deed to secure debt or other security agreement covering any part of the Property, whether it be superior or junior in lien to this mortgage;
- (4) for more than ten days after notice from Mortgagee, Grantor is in default under any term, covenant or condition of this mortgage not previously described in this Section 8.01, which can be cured by the payment of a sum of money; or
- (5) for 30 days after notice from Mortgagee, Grantor is in default under any term, covenant or condition of this mortgage not previously described in this Section 8.01; provided that if: (A) it is reasonably certain that the default cannot be cured by Grantor within that 30 day period; and (B) Grantor has commenced curing that default within that 30 day period and thereafter diligently and expeditiously proceeds to cure that default, then that 30 day period shall be extended for so long as reasonably required by Grantor in the exercise of due diligence to cure that default, up to a maximum of 90 days after the notice to Grantor of the Event of Default.

8.02 Remedies. At any time after an Event of Default, Mortgagee may invoke any and all of the rights and remedies described below. All of such rights and remedies are cumulative, and the exercise of any one or more of them does not constitute an election of remedies:

(a) Acceleration. Mortgagee may declare any or all of the Secured Obligations to be due and payable immediately.

(b) Receiver. Mortgagee may, to the extent permitted by Applicable Law, make an ex parte application to any court of competent jurisdiction, and obtain appointment of, a receiver, trustee, liquidator or conservator of the Property, without notice, without giving bond, and without regard for the adequacy of the security for the Secured Obligations and without regard for the solvency of Grantor, any Guarantor, or of any Person liable for the payment of the Secured Obligations. GRANTOR HEREBY WAIVES NOTICE OF THE APPLICATION FOR, AND CONSENTS TO THE APPOINTMENT OF A RECEIVER, TRUSTEE, LIQUIDATOR OR CONSERVATOR OF THE PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION; AND AGREES TO NOT OPPOSE SUCH APPOINTMENT.

(c) Entry. Mortgagee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Mortgagee may consider necessary and appropriate to protect the security of this mortgage. Such other things may include: taking and possessing all of Grantor's or the then owner's books and records; entering into, enforcing, modifying, or canceling leases on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying rents; collecting and receiving any payment of money owing to Grantor; completing any unfinished construction; and/or contracting for and making repairs and

alterations. If Mortgagee so requests, Grantor will assemble all of the Property that has been removed from the Land and make all of it available to Mortgagee at the site of the Land. GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS MORTGAGEE AS GRANTOR'S ATTORNEY-IN-FACT TO PERFORM SUCH ACTS AND EXECUTE SUCH DOCUMENTS AS MORTGAGEE CONSIDERS APPROPRIATE IN CONNECTION WITH TAKING THESE MEASURES, INCLUDING ENDORSEMENT OF GRANTOR'S NAME ON ANY INSTRUMENTS. Regardless of any provision of this mortgage or the other Secured Obligation Documents, Mortgagee shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Grantor to Mortgagee, unless Mortgagee has given express written notice of its election of that remedy in accordance with the UCC.

(d) Cure; Protection of Security. Mortgagee may cure any breach or default of Grantor, and if it chooses to do so in connection with any such cure, Mortgagee may also enter the Property and/or do any and all other things which it considers necessary or appropriate to protect the security of this mortgage. Such other things may include: (1) appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Mortgagee under, this mortgage; (2) paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's judgment is or may be senior in priority to this mortgage, such judgment of Mortgagee to be conclusive as among the parties to this mortgage; (3) obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; (4) otherwise caring for and protecting any and all of the Property; and/or (5) employing counsel, accountants, contractors and other appropriate persons to assist Mortgagee. Mortgagee may take any of the actions permitted under this Section 8.02 either with or without giving notice to any person. Notwithstanding the foregoing, in no event will Mortgagee have any obligation to take any of the actions set forth in this subparagraph (d).

(e) Uniform Commercial Code Remedies. Mortgagee may exercise any or all of the remedies granted to a secured party under the UCC. To the extent that Applicable Law imposes the duty on Mortgagee to exercise remedies in a commercially reasonable manner, Grantor acknowledges and agrees that it is not commercially unreasonable for Mortgagee to: (1) fail to incur expenses reasonably deemed significant by Mortgagee to prepare the Personalty for disposition or to fail to complete raw material or work in process into finished goods or other finished products for disposition; (2) fail to exercise collection remedies against account debtors or other persons obligated on the Personalty (directly or through the use of collection specialists), or to fail to remove liens, encumbrances or adverse claims against the Personalty; (3) advertise dispositions of the Personalty through publications or media of general circulation, whether or not the Personalty is of a specialized nature; (4) contact Persons for expressions of interest in acquiring all or any portion of the Personalty; (5) hire professional auctioneers to assist in the disposition of the Personalty, whether or not the Personalty is of a specialized nature; (6) dispose of the Personalty by utilizing Internet sites that provide for or are reasonably capable of the auction of assets of the types included in the Personalty; (7) dispose of the Personalty in wholesale rather than retail markets; (8) disclaim disposition warranties; (9) purchase insurance or credit enhancements to insure Mortgagee against risks of loss, collection or disposition of the Personalty or to provide to Mortgagee a guaranteed return from the collection or disposition of the Personalty; or (10) sell any Personalty jointly with any of the Property or to sell any Personalty in a sale separate from a sale of any of the Property. Grantor acknowledges that the purpose of this Section 8.02(e) is to provide a non-exhaustive indication of what actions or omissions by Mortgagee would fulfill Mortgagee's duties under the UCC in Mortgagee's exercise of remedies against the Personalty, and that other actions or omissions by Mortgagee shall not be deemed to fail to fulfill such duties solely on account of not being expressly included or indicated in this Section 8.02(e).

(f) Judicial Action. Mortgagee may bring an action in any court of competent jurisdiction to foreclose this mortgage in the manner provided under Applicable Law for the foreclosure of mortgages on real property or to obtain specific enforcement of any of the covenants or agreements of this mortgage.

(g) Sales of Personal Property. Mortgagee may elect to treat as Personalty any Property which is Intangible or which can be severed from the Land or Improvements without causing structural damage. If it chooses to do so, Mortgagee may dispose of any Personalty separately from the sale of real property, in any manner permitted by Article 9 of the UCC, including any public or private sale, or in any manner permitted by any other Applicable Law. Any proceeds of any such disposition shall not cure any Event of Default or reinstate any Secured Obligation.

(h) Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, in connection with any sale of the Property described in or permitted under this Section 8.02, Mortgagee may: (1) designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and (2) elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Mortgagee may deem to be in its best interests (any such sale or disposition, a "Foreclosure Sale"). If it chooses to have more than one Foreclosure Sale, Mortgagee at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as it may deem to be in its best interests. No Foreclosure Sale will terminate or affect the liens of this mortgage on any part of the Property which has not been sold, until all of the Secured Obligations have been paid in full.

(i) Additional Rights. In addition to the rights and powers given to Mortgagee under this mortgage, Mortgagee shall have all such other rights both in law and equity for collection of the indebtedness secured hereby as it would have but for this mortgage.

**8.03 Credit Bids.** At any Foreclosure Sale, any person, including Grantor or Mortgagee, may bid for and acquire the Property or any part of it to the extent permitted by then Applicable Law. Instead of paying cash for that property, Mortgagee may settle for the purchase price by crediting the sales price of the property against the following obligations:

- (1) first, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Grantor is obligated to reimburse Mortgagee; and
- (2) second, all other Secured Obligations in any order and proportions as Mortgagee may choose.

**8.04 Application of Foreclosure Sale Proceeds, Rents and Other Sums.** Mortgagee shall apply the proceeds of any Foreclosure Sale to pay (or reimburse Mortgagee for payment of) the Secured Obligations in any order and proportions as Mortgagee may choose, with the surplus, if any, to be paid over to Grantor.

**8.05 No Liability for Funds Not Received.** Mortgagee has no liability for any funds which it does not actually receive.

**8.06 Waivers.**

(a) Grantor waives: (1) any right to require Mortgagee to proceed against Grantor, proceed against or exhaust any security held from Grantor, or pursue any other remedy in Mortgagee's power to pursue; (2) any defense based on any legal disability of Grantor, any discharge or limitation of

the liability of Grantor to Mortgagee, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor-relief proceeding, or from any other cause, or any claim that Grantor's obligations exceed or are more burdensome than those of Grantor; (3) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this mortgage and of the existence, creation, or incurring of new or additional indebtedness of Grantor, and demands and notices of every kind; (4) any defense based on or arising out of any defense that Grantor may have to the payment or performance of the Secured Obligations or any part of it; and (5) until the Secured Obligations have been paid and performed in full, all rights of subrogation, reimbursement, indemnification and contribution (contractual, statutory or otherwise), including any claim or right of subrogation under the Bankruptcy Code (Title 11 of the U.S. Code) or any successor statute, all rights to enforce any remedy that Mortgagee may have against Grantor, and all rights to participate in any security now or later to be held by Mortgagee for the Secured Obligations.

(b) Grantor waives all rights and defenses that Grantor may have because the Secured Obligations may be secured by real property other than the Property hereby encumbered. This means, among other things: (1) Mortgagee may collect from Grantor (including enforcing this mortgage against Grantor) without first foreclosing on any real or personal property collateral securing the Secured Obligations; and (2) If Mortgagee forecloses on any real property collateral securing the Secured Obligations: (A) the amount of the Secured Obligations may be reduced only by the price for which that collateral is sold at the Foreclosure Sale, even if the collateral is worth more than the sale price, and (B) Mortgagee may collect from Grantor (including enforcing this mortgage against Grantor) even if Mortgagee, by foreclosing on the real property collateral, has destroyed any right Mortgagee may have to collect from Grantor. This is an unconditional and irrevocable waiver of any rights and defenses Grantor may have because the Secured Obligations may be secured by real property other than the Property.

(c) Grantor waives any right or defense it may have at law or equity, to a fair market value hearing or action to determine a deficiency judgment after a foreclosure of any real property other than the Property hereby encumbered.

(d) No provision or waiver in this mortgage shall be construed as limiting the generality of any other provision or waiver contained in this mortgage.

**8.07 Information.** Grantor is solely responsible for keeping informed of Grantor's financial condition and business operations and all other circumstances affecting Grantor's ability to pay and perform its obligations to Mortgagee, and agrees that Mortgagee will have no duty to disclose to Grantor any information which Mortgagee may receive about Grantor's financial condition, business operations, or any other circumstances bearing on its ability to perform.

**8.08 No Mortgagee in Possession.** Neither the enforcement of any of the remedies under this Article, the assignment of the Rents and Leases under Article 2, the security interests under Article 3, nor any other remedies afforded to Mortgagee under the Loan Documents, at law or in equity shall cause Mortgagee to be deemed or construed to be a mortgagee in possession of the Property, to obligate Mortgagee to lease the Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

#### ARTICLE 9 – NOTICES

All notices, approvals, consents, and other communications, under this mortgage ("Notices") must be in writing and mailed or delivered to the address specified herein. All Notices will be deemed to be given or made upon the earlier to occur of: (1) actual receipt by the intended recipient; or (2) (A) if delivered by hand or by courier, upon delivery; or (B) if delivered by mail, four Business Days after deposit in the U.S. mail, properly addressed, postage prepaid; except that notices and other communications to Lender will not be effective until actually received by Lender. All telephonic Notices to and other telephonic communications with Lender may be recorded by Lender, and each Party consents to such recording. Notices must be mailed or delivered, if to Grantor, to the address adjacent Grantor's signature below; if to Mortgagee, to 10801 Mastin Blvd., Ste 930, Overland Park, KS 66210, Attn: Regional Director.

#### ARTICLE 10 – RELEASE

When all Secured Obligations have been paid in full, Mortgagee shall execute and deliver to Grantor, a release of the Property from the Lien of this mortgage.

#### ARTICLE 11 – MISCELLANEOUS

11.01 **Additional Provisions.** The Secured Obligation Documents state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this mortgage. The Secured Obligation Documents also grant further rights to Mortgagee and contain further agreements and affirmative and negative covenants by Grantor which apply to this mortgage and to the Property.

11.02 **Entire Agreement.** This mortgage and the other Secured Obligation Documents collectively: (a) represent the sum of the understandings and agreements between Mortgagee and Grantor concerning this credit; (b) replace any prior oral or written agreements between Mortgagee and Grantor concerning this credit; and (c) are intended by Mortgagee and Grantor as the final, complete and exclusive statement of the terms agreed to by them.

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

11.04 **No Waiver or Cure.** Each waiver by Mortgagee 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 Mortgagee to take action on account of any default of Grantor. Consent by Mortgagee 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 Mortgagee's consent to be obtained in any future or other instance. The exercise by Mortgagee of any right or remedy under this mortgage 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 mortgage 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, have been cured); or impair the security of this mortgage; or prejudice Mortgagee or any receiver appointed in accordance with this mortgage, in the exercise of any right or remedy afforded any of them under this mortgage; or be construed as an

affirmation by Mortgagee of any tenancy, lease or option, or a subordination of the lien of this mortgage.

11.05 **Merger.** No merger shall occur as a result of Mortgagee's acquiring any other estate in or any other lien on the Property.

11.06 **Waiver of Dower, Homestead, and Distributive Share.** Grantor relinquishes all right of dower, if any, and waives all right of homestead exemption and distributive share in and to the Property. Grantor waives any right of exemption as to the Property.

11.07 **Waiver of Marshalling.** Grantor waives all rights, legal and equitable, it may now or hereafter have to require marshalling 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 mortgage, 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.

11.08 **Waiver of Certain Other Laws.** To the full extent Grantor may do so, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for appraisal or valuation, and Grantor, for Grantor, and its representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of valuation or appraisal or notice of election to mature or declare due the whole of the Secured Obligations in the event of foreclosure of the lien created by this mortgage. .

11.09 **Joint and Several Obligations.** If Grantor consists of more than one Person, each Grantor (a) acknowledges and undertakes, together with the other Grantors, joint and several liability for the indebtedness, liabilities and obligations of Grantor under this mortgage; (b) acknowledges that this mortgage 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 (c) 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 MORTGAGEE EXHAUST ANY RIGHT, POWER OR REMEDY AND PROCEED AGAINST THE OTHER GRANTOR UNDER THIS MORTGAGE, OR ANY OTHER SECURED OBLIGATION DOCUMENTS, OR AGAINST ANY OTHER PERSON UNDER ANY GUARANTY OF, OR SECURITY FOR, ANY OF THE SECURED OBLIGATIONS.

11.10 **Authority to Bind Grantor.** Each Person executing this mortgage on behalf of Grantor is authorized to enter into this mortgage and the transactions contemplated hereby and has the authority to bind Grantor. Mortgagee may, at any time and without notice, waive any prior requirement that requests, authorizations, or other actions be taken only by a Designated Person.

11.11 **Binding Effect; Successors and Assigns.** The Secured Obligation Documents 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 Mortgagee's consent. However, this section does not waive the provisions of Section 7.09; and Grantor shall not assign its rights or obligations hereunder without Mortgagee's consent. Mortgagee may transfer all or any portion of its rights under the Secured Obligation Documents to any other Person. Mortgagee may disclose to any actual or proposed transferee any information that Grantor has delivered to Mortgagee in connection with the negotiation of this mortgage or pursuant to the Secured Obligation Documents; and Grantor shall cooperate fully with Mortgagee in providing that information to any actual or proposed transferee.

11.12 **Rights and Remedies Cumulative.** All rights and remedies under this mortgage and the Secured Obligation Documents are cumulative, and the exercise of any one or more of them does not constitute an election of remedies.

11.13 **Severability.** 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 Mortgagee may, at its option, declare all Secured Obligations immediately due and payable.

11.14 **Amendments in Writing.** This mortgage may not be amended, changed, modified, altered or terminated without the prior written consent of Mortgagee.

11.15 **Governing Law.** This mortgage shall be governed exclusively by the laws of the State of Idaho without regard or reference to its conflict of laws principles.

11.16 **Counterpart Execution.** This mortgage may be executed in counterparts, each of which will be an original and all of which together are deemed one and the same instrument.

11.17 **Necessary Action.** Mortgagee is authorized to execute any other documents or take any other actions necessary to effectuate this mortgage and the consummation of the transactions contemplated herein.

11.18 **Time of the Essence.** Time is of the essence of this mortgage.

11.19 **No Construction Against Drafter.** Each Party has participated in negotiating and drafting this mortgage, so if an ambiguity or a question of intent or interpretation arises, this mortgage 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 mortgage.

11.20 **Effect of Modification.** The interest rate, payment terms and/or balance due on the loan may be, inter alia, indexed, adjusted, renewed or renegotiated and the lien of this mortgage herein granted shall not be affected as provided in Idaho Code Section 45-116.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURE PAGE TO MORTGAGE]

GRANTOR BY EXECUTION AND DELIVERY OF THIS MORTGAGE TO MORTGAGEE, AND MORTGAGEE, BY ACCEPTANCE HEREOF, TO THE EXTENT PERMITTED BY APPLICABLE LAW (A) COVENANT AND AGREE 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 MORTGAGE; OR (II) ANY LOAN DOCUMENT, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE (INDIVIDUALLY AND COLLECTIVELY, A "CONTROVERSY OR CLAIM"); AND (B) WAIVE 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 MORTGAGEE ENTERING INTO THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS.

Grantor is executing this mortgage effective as of the day and year first written above.

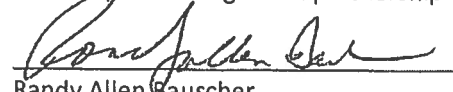
GRANTOR

Address for notices:

P.O. Box 123  
Rupert, Idaho 83350

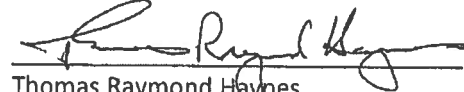
B & H FARMING, an Idaho general partnership

By:



Randy Allen Bauscher  
Its General Partner

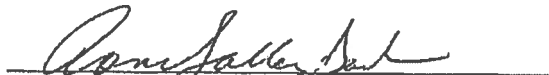
By:



Thomas Raymond Haynes  
Its General Partner

Address for notices:

111 Pelican Drive  
Rupert, Idaho 83350

  
RANDY ALLEN BAUSCHER (also known as Randy Bauscher, also known as Randy A. Bauscher)

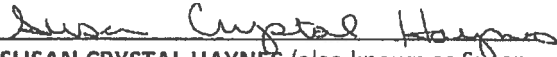
Address for notices:

1502 Meadowbrook Lane 163 W 200 S  
Rupert, Idaho 83350

  
THOMAS RAYMOND HAYNES (also known as Thomas Haynes, also known as Thomas R. Haynes)

Address for notices:

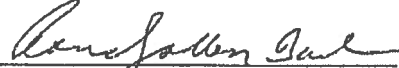
~~1502 Meadowbrook Lane~~ 163 W 200 S  
Rupert, Idaho 83350

  
SUSAN CRYSTAL HAYNES (also known as Susan  
Haynes, also known as Susan C. Haynes)

Address for notices:

P.O. Box 123  
Rupert, Idaho 83350

IDAHO AG., INC., an Idaho corporation

By:   
Randy Allen Bauscher  
Its President

Address for notices:

P.O. Box 123  
Rupert, Idaho 83350

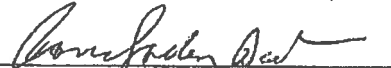
B & H, INC., an Idaho corporation

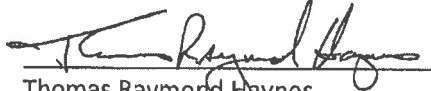
By:   
Randy Allen Bauscher  
Its President

Address for notices:

P.O. Box 123  
Rupert, Idaho 83350

CERES AG. LLC, an Idaho limited liability company

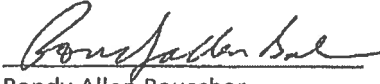
By:   
Randy Allen Bauscher  
Its Member

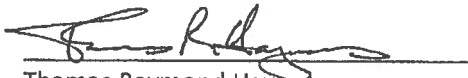
By:   
Thomas Raymond Haynes  
Its Member

Address for notices:  
P.O. Box 123  
Rupert, Idaho 83350

**B&H LAND, LLC**, an Idaho limited liability company

By: Bauscher Investments, LLC, an Idaho limited liability company  
Its Member

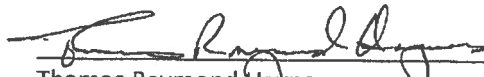
By:   
Randy Allen Bauscher  
Its Manager

By:   
Thomas Raymond Haynes  
Its Member

Address for notices:  
P.O. Box 123  
Rupert, Idaho 83350

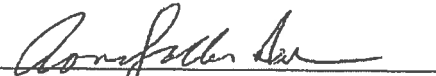
**B&H OPERATIONS, LLC**, an Idaho limited liability company

By:   
Randy Allen Bauscher  
Its Member

By:   
Thomas Raymond Haynes  
Its Member

Address for notices:  
P.O. Box 123  
Rupert, Idaho 83350

**B&H EQUIPMENT, LLC**, an Idaho limited liability company

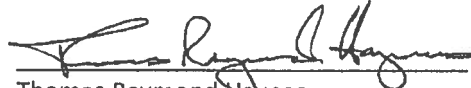
By:   
Randy Allen Bauscher  
Its Member

By:   
Thomas Raymond Haynes  
Its Member

Address for notices:  
P.O. Box 123  
Rupert, Idaho 83350

**B&H FINANCING, LLC**, an Idaho limited liability company

By:   
Randy Allen Bauscher  
Its Member

By:   
Thomas Raymond Haynes  
Its Member

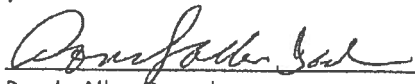
Address for notices:  
1105 North Market St., Ste. 500  
Wilmington, Delaware 19801

**KEY NATIONAL TRUST COMPANY OF DELAWARE**,  
as trustee of the BAUSCHER IRREVOCABLE TRUST

By: Signed in counterpart see additional page  
Isabel A. Pryor  
Its CEO and Director, Senior Vice President  
and Regional Trust Manager

Address for notices:  
P.O. Box 123  
Rupert, Idaho 83350

**BAUSCHER INVESTMENTS, LLC**, an Idaho limited liability company

By:   
Randy Allen Bauscher  
Its Manager

Address for notices:

P.O. Box 123  
Rupert, Idaho 83350

B&H FINANCING, LLC, an Idaho limited liability  
company

By: Signed in Counterpart see previous page  
Randy Allen Bauscher  
Its Member

By: Signed in Counterpart see previous page  
Thomas Raymond Haynes  
Its Member

Address for notices:

1105 North Market St., Ste. 500  
Wilmington, Delaware 19801

KEY NATIONAL TRUST COMPANY OF DELAWARE,  
as trustee of the BAUSCHER IRREVOCABLE TRUST

By: Isabel A. Pryor 12/24/13  
Isabel A. Pryor  
Its CEO and Director, Senior Vice President  
and Regional Trust Manager

Address for notices:

P.O. Box 123  
Rupert, Idaho 83350

BAUSCHER INVESTMENTS, LLC, an Idaho limited liability  
company

By: Signed in counterpart see previous page  
Randy Allen Bauscher  
Its Manager

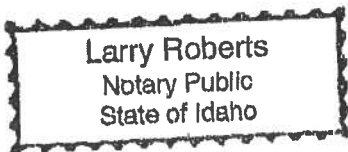
ACKNOWLEDGMENTS

STATE OF IDAHO

COUNTY OF Twin Falls

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)SS.  
)

On December 24, 2013, before me, Larry Roberts, a notary public, personally appeared RANDY ALLEN BAUSCHER (also known as Randy Bauscher, also known as Randy A. Bauscher), known or identified to me (or proved to me on the oath of Randy Allen Bauscher), to be the General Partner of B & H FARMING, the Idaho general partnership, and partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

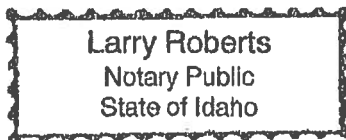
Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls

)  
)SS.  
)

On December 24, 2013, before me, Larry Roberts, a notary public, personally appeared THOMAS RAYMOND HAYNES (also known as Thomas Haynes, also known as Thomas A. Haynes), known or identified to me (or proved to me on the oath of Thomas Raymond Haynes), to be the General Partner of B & H FARMING, the Idaho general partnership, and partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls

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)SS.  
)

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER (also known as Randy Bauscher, also known as Randy A. Bauscher), known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Larry Roberts  
Notary Public  
State of Idaho

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls

)  
)SS.  
)

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared THOMAS RAYMOND HAYNES (also known as Thomas Haynes, also known as Thomas R. Haynes), known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Larry Roberts  
Notary Public  
State of Idaho

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls

)  
)SS.  
)

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared SUSAN CRYSTAL HAYNES (also known as Susan Haynes, also known as Susan C. Haynes), known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

Larry Roberts  
Notary Public  
State of Idaho

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

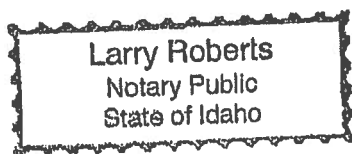
STATE OF IDAHO

COUNTY OF

Twin Falls

)  
)SS.  
)

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the President of IDAHO AG., INC., the Idaho corporation that executed the above instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name:

Larry Roberts

Commission Expires: 6-30-15

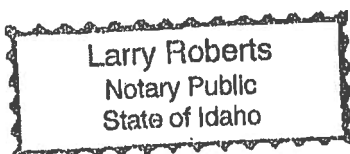
STATE OF IDAHO

COUNTY OF

Twin Falls

)  
)SS.  
)

On December 26th, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the President of B & H, INC., the Idaho corporation that executed the above instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name:

Larry Roberts

Commission Expires: 6-30-15

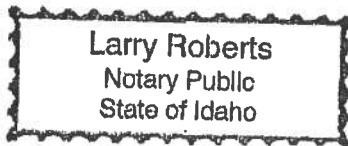
STATE OF IDAHO

COUNTY OF

Twin Falls

)  
)SS.  
)

On December 24, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of BAUSCHER), to be the Member of CERES AG., LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

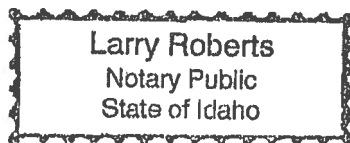
STATE OF IDAHO

COUNTY OF

Twin Falls

)  
)SS.  
)

On December 26<sup>th</sup>, 2013, before me, Larry Roberts, a Notary Public, personally appeared THOMAS RAYMOND HAYNES, known or identified to me (or proved to me on the oath of THOMAS RAYMOND HAYNES), to be the Member of CERES AG., LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls )  
 )SS.  
 )

On December 24, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the Manager of BAUSCHER INVESTMENTS, LLC, an Idaho limited liability company, which limited liability company is a Member of B&H LAND, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.

Larry Roberts  
Notary Public  
State of Idaho

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls )  
 )SS.  
 )

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared THOMAS RAYMOND HAYNES, known or identified to me (or proved to me on the oath of THOMAS RAYMOND HAYNES), to be the Member of B&H LAND, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.

Larry Roberts  
Notary Public  
State of Idaho

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

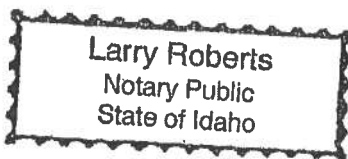
Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls

)  
SS.  
)

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the Member of B&H OPERATIONS, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

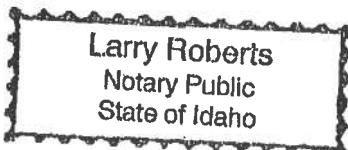
Commission Expires: 6-30-15

STATE OF IDAHO

COUNTY OF Twin Falls

)  
SS.  
)

On December 26, 2013, before me, Larry Roberts, a Notary Public, personally appeared THOMAS RAYMOND HAYNES known or identified to me (or proved to me on the oath of THOMAS RAYMOND HAYNES), to be the Member of B&H OPERATIONS, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

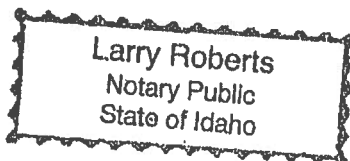
Commission Expires: 6-30-15

STATE OF IDAHO )

COUNTY OF Twin Falls )

)SS.

On December 24, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the Member of B&H EQUIPMENT, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

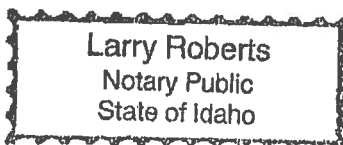
Commission Expires: 6.30.15

STATE OF IDAHO )

COUNTY OF Twin Falls )

)SS.

On December 24, 2013, before me, Larry Roberts, a Notary Public, personally appeared THOMAS RAYMOND HAYNES, known or identified to me (or proved to me on the oath of THOMAS RAYMOND HAYNES), to be the Member of B&H EQUIPMENT, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.



Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6.30.15

STATE OF IDAHO )

COUNTY OF Twin Falls )  
)

)SS.

On December 24, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the Member of B&H FINANCING, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

Larry Roberts  
Notary Public  
State of Idaho

STATE OF IDAHO )

COUNTY OF Twin Falls )  
)

)SS.

On December 24<sup>th</sup>, 2013, before me, Larry Roberts, a Notary Public, personally appeared THOMAS RAYMOND HAYNES, known or identified to me (or proved to me on the oath of THOMAS RAYMOND HAYNES), to be the Member of B&H FINANCING, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.

Larry Roberts  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

Larry Roberts  
Notary Public  
State of Idaho

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

)ss. Signed and Notarized in counterpart, see  
) additional page for Notary

On December \_\_\_\_\_, 2013, before me, \_\_\_\_\_, a Notary Public, personally appeared ISABEL A. PRYOR, known or identified to me (or proved to me on the oath of ISABEL A. PRYOR), to be the CEO and Director, Senior Vice President and Regional Trust Manager of KEY NATIONAL TRUST COMPANY OF DELAWARE, which company is the trustee of the BAUSCHER IRREVOCABLE TRUST, and the trustee of the trust who subscribed said name to the foregoing instrument, and acknowledged to me that she executed the same in said trust name.

\_\_\_\_\_  
Notary Public for Idaho

Printed Name: \_\_\_\_\_

Commission Expires: \_\_\_\_\_

STATE OF IDAHO )

COUNTY OF Twin Falls )

)ss.

On December 24, 2013, before me, Larry Roberts, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the Manager of BAUSCHER INVESTMENTS, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.

**Larry Roberts**  
Notary Public  
State of Idaho

\_\_\_\_\_  
Notary Public for Idaho

Printed Name: Larry Roberts

Commission Expires: 6-30-15

STATE OF DELAWARE )  
 )ss.  
COUNTY OF NEW CASTLE )

On December 26, 2013, before me, LINDA BUTTERWORTH, a Notary Public, personally appeared ISABEL A. PRYOR, known or Identified to me (or proved to me on the oath of ISABEL A. PRYOR), to be the CEO and Director, Senior Vice President and Regional Trust Manager of KEY NATIONAL TRUST COMPANY OF DELAWARE, which company is the trustee of the BAUSCHER IRREVOCABLE TRUST, and the trustee of the trust who subscribed said name to the foregoing instrument, and acknowledged to me that she executed the same in said trust name.



Linda B. Butterworth  
Notary Public for Delaware  
Printed Name: Linda Butterworth  
Commission Expires: 6-15-15

STATE OF IDAHO )  
 )ss. Signed and Notarized in counterpart see  
COUNTY OF \_\_\_\_\_ ) previous page for Notary

On December \_\_\_\_\_, 2013, before me, \_\_\_\_\_, a Notary Public, personally appeared RANDY ALLEN BAUSCHER, known or Identified to me (or proved to me on the oath of RANDY ALLEN BAUSCHER), to be the Manager of BAUSCHER INVESTMENTS, LLC, the Idaho limited liability company that executed the above instrument or the person who executed the instrument on behalf of said company and acknowledged to me that such company executed the same.

\_\_\_\_\_  
Notary Public for Idaho  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

**EXHIBIT A**

B&H Farming  
Loan No: 196782

**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,  
AND FIXTURE FILING**

**Legal Description of Real Estate**

Minidoka, Twin Falls and Jerome Counties, Idaho

**TRACT A**

**MINIDOKA COUNTY**

**PARCEL NO. 1:**

TOWNSHIP 7 SOUTH, RANGE 24 EAST, BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 4: SW¼

Section 5: SE¼

**PARCEL NO. 2:**

TOWNSHIP 7 SOUTH, RANGE 24 EAST, BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 20: All of the SW¼ and the SW¼SE¼ lying South of the Union Pacific Railroad right of way in  
Section 20, **SAVE AND EXCEPT** the following described tracts:

**Tract No. 1:**

Part of the SW¼SE¼, more particularly described as follows:

From a Point of Beginning located 1320 feet West along the section line from the  
Southeast corner of Section 20;  
Thence West 820 feet along said section line;  
Thence North 620 feet;  
Thence East 334.8 feet;  
Thence South 72°36' East 508.5 feet on a line parallel to the center line of the State  
Highway;  
Thence South 467.9 feet more or less to the Point of Intersection with the section line  
and Point of Beginning.

**Tract No. 2:**

Part of the SE¼SE¼ and part of the SW¼SE¼, 'more particularly described as follows:

Beginning at the Southeast corner of Section 20, said corner marked by a  $\frac{1}{2}$  inch rebar;  
thence South  $89^{\circ}49'06''$  West along section line for 1296.00 feet to a  $\frac{1}{2}$  inch  
rebar which shall be the Point of Beginning;  
Thence South  $89^{\circ}49'06''$  West along section line for 23.18 feet to a  $\frac{1}{2}$  inch rebar at the  
Southeast corner of the  $SW\frac{1}{4}SE\frac{1}{4}$ ;  
Thence South  $89^{\circ}49'06''$  West along section line for 356.42 feet to a  $\frac{1}{2}$  inch rebar;  
Thence North  $0^{\circ}03'14''$  West for 851.86 feet to a  $\frac{1}{2}$  inch rebar on the South right of way  
of State Highway 24;  
Thence South  $73^{\circ}16'35''$  East along said right of way for 370.91 feet to a  $\frac{1}{2}$  inch rebar on  
the East line of the  $SW\frac{1}{4}SE\frac{1}{4}$ ;  
Thence South  $73^{\circ}16'35''$  East along said right of way for 25.88 feet to a  $\frac{1}{2}$  inch rebar;  
Thence South  $0^{\circ}01'48''$  East (South rec.) for 736.48 feet (752 feet rec.) to the Point of  
Beginning.

PARCEL NO. 3:

TOWNSHIP 7 SOUTH, RANGE 24 EAST, BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 28: All that portion of the  $NW\frac{1}{4}$  lying South and West of the Union Pacific Railroad right of  
way,  
**SAVE AND EXCEPT** the following described tract:

Beginning at the Northeast corner of said  $NW\frac{1}{4}NW\frac{1}{4}$ ;  
Thence East 130 feet;  
Thence South 130 feet;  
Thence West 130 feet;  
Thence North 130 feet to the Point of Beginning.

Section 29:  $N\frac{1}{2}NW\frac{1}{4}$  and the  $NE\frac{1}{4}$ , **SAVE AND EXCEPT** the following described tracts:

Tract No. 1:

Beginning at the Northeast corner of said Section 29, which point shall be known as the  
Point of Beginning;  
Thence West along the North section line for 330 feet;  
Thence South for 130 feet;  
Thence East 330 feet to a point on the section line of said Section 29;  
Thence North along said East section line for 130 feet to the Point of Beginning.

Tract No. 2:

Beginning 130 feet South and 30 feet West of the Northeast corner of said  $NE\frac{1}{4}NE\frac{1}{4}$ ;  
Thence West 150 feet;  
Thence South 140 feet;  
Thence East 150 feet;  
Thence North 140 feet to the Point of Beginning.

Tract No 3:

Beginning at the Northeast corner of said Section 29; thence West along the North section line of said Section 29 for 330 feet to a point, which shall be known as the Point of Beginning;

Thence South for 130 feet;

Thence West for 130 feet;

Thence North for 130 feet to a point on the North section line of said Section 29;

Thence East along said North section line for 130 feet to the Point of Beginning.

Tract No 4:

Beginning at the Northeast corner of said NE¼NE¼; thence South along East section line of said Section 29 for 130 feet; thence West for 180 feet to a point, which point shall be known as the Point of Beginning;

Thence West for 150 feet;

Thence South for 75 feet;

Thence East for 150 feet;

Thence North for 75 feet to the Point of Beginning.

PARCEL NO. 4:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 24:      N½ and SW¼, **SAVE AND EXCEPT** the following described tracts:

Tract No. 1:

Beginning at the Northeast corner of said Section 24; thence South 0°13' West along the section line 1,091.8 feet to the Point of Beginning;

Thence continuing South 0°13' West 200 feet;

Thence North 89°47' West 217.8 feet;

Thence North 0°13' East 200 feet;

Thence South 89°47' East 217.8 feet to the Point of Beginning.

Tract No. 2:

Beginning 250 feet North the Southeast corner of the SE¼NE¼ of said Section 24, which point shall be known as the Point of Beginning;

Thence West along the South boundary line of said SE¼NE¼ for 300.00 feet;

Thence North for 183.00 feet;

Thence East for 300.00 feet to a point on the East section line of said Section 24;

Thence South along said East section line for 183.00 feet to the Point of Beginning.

Tract No. 3:

Beginning at the Southeast corner of the SE¼NE¼ of said Section 24, which point shall be known as the Point of Beginning;

Thence West along the South boundary line of said SE¼NE¼ for 250.00 feet;

Thence North for 250.00 feet;

Thence East for 250.00 feet to a point on the East section line of said Section 24;

Thence South along said East Section line for 250.00 feet to the Point of Beginning.

PARCEL NO. 5:

TOWNSHIP 7 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 19: All of the N½ and the NE¼SE¼ lying North of the Union Pacific Railroad right-of-way.

PARCEL NO. 6:

TOWNSHIP 8 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 9: Part of Farm Tract E, more particularly described as follows:

Beginning at the Northwest section corner of said Section 9, said corner marked by a 5/8 inch rebar; Thence South 00°10'26" West along the West section line for a distance of 1088.62 feet; Thence South 89°58'55" East for a distance of 1279.86 feet to a point on the tract line between Farm Tracts A and E which shall be the Point of Beginning;

Thence South 89°58'55" East for a distance of 539.43 feet to a ½ inch rebar;

Thence South 00°10'26" West for a distance of 705.07 feet to Tract Corner No. 9 of Tract E, marked by a U.S.B.R. iron pipe with brass cap on top;

Thence North 50°02'16" West along the tract line for a distance of 547.60 feet to Tract Corner No. 8 of Tract E, marked by a U.S.B.R. iron pipe with brass cap on top;

Thence North 18°23'43" West along the tract line for a distance of 372.56 feet to the Point of Beginning.

PARCEL NO. 7:

TOWNSHIP 8 SOUTH, RANGE 23 EAST, BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Sections 8 & 9: Farm Unit A, Tract A

Section 8: Farm Unit E, Tract E of the North Side Pumping Division, Minidoka Project, Idaho (as shown by plat, dated May 4, 1956, on file in the office of the County Recorder, Minidoka County, Idaho),

**SAVE AND EXCEPT** the following described tracts from Farm Unit A, Tract A and Farm Unit E, Tract E:

Tract No. 1:

Beginning at the East quarter corner of said Section 8; thence South 89°57'30" West along the quarter section line of said Section 8 for 2099.20 feet to a point, which point shall be known as the Point of Beginning;

Thence South 46°55' West for 417.76 feet to Corner No. 4 of said Farm Unit E, Tract E;

Thence North 49°59' West for 441.10 feet to a point on the quarter section line of said Section 8;  
Thence North 89°57'30" East for 97.64 feet along the quarter section line to the mid-section corner;  
Thence North 89°57'30" East for 545.30 feet along the quarter section line to the Point of Beginning;

Tract No. 2:

Beginning at the East quarter section corner of Section 8, said corner marked by a R.R. spike; thence North 00°10'26" East along the East line of Section 8 for a distance of 1623.30 feet to Corner No. 10 of Tract E which shall be the Point of Beginning;  
Thence North 66°08'36" West along the tract line common to Tract E and Tract A for a distance of 27.09 feet to a ½ inch rebar;  
Thence North 89°58'52" West (West, rec.) for a distance of 202.66 feet to a ½ inch rebar;  
Thence North 01°51'24" East for a distance of 96.35 feet to a ½ inch rebar;  
Thence North 01°51'24" East for a distance of 98.80 feet to a ½ inch rebar;  
Thence South 89°06'37" East for a distance of 197.96 feet to a ½ inch rebar;  
Thence South 89°06'37" East for a distance of 23.80 feet to the East line of Section 8;  
Thence South 00°10'26" West along the East line of Section 8 for a distance of 202.63 feet to the Point of Beginning.

Tract No. 3

Beginning at the East quarter section corner of Section 8, said corner marked by a R.R. spike; Thence North 00°10'26" East along the east line of Section 8 for a distance of 1623.30 feet to Corner No. 10 of Tract E; Thence North 66°08'36" West along the tract line common to Tract E and Tract A for a distance of 27.09 feet to a ½ inch rebar; thence North 89°58'52" West (West, rec.) for a distance of 202.66 feet to a ½ inch rebar which shall be the Point of Beginning;  
Thence North 89°58'52" West (West, rec.) for a distance of 226.95 feet to a ½ inch rebar;  
Thence North 00°11'24" East for a distance of 96.13 feet to a ½ inch rebar;  
Thence North 89°58'35" East for a distance of 229.75 feet to a ½ inch rebar;  
Thence South 01°51'24" West for a distance of 96.35 feet to the Point of Beginning.

Tract No. 4:

Beginning at the East quarter section corner of Section 8, said corner marked by a R.R. spike; Thence North 00°10'26" East along the east line of Section 8 for a distance of 1623.30 feet to Corner No. 10 of Tract E; Thence North 66°08'36" West along the tract line common to Tract E and Tract A for a distance of 27.09 feet to a ½ inch rebar; Thence North 89°58'52" West (West, rec.) for a distance of 429.61 feet to a ½ inch rebar which shall be the Point of Beginning;  
Thence North 89°58'52" West for a distance of 33.08 feet;  
Thence North 00°10'26" East (North, rec.) for a distance of 96.10 feet;

Thence North 89°58'35" East for a distance of 33.10 feet to a ½ inch rebar;  
Thence South 00°11'24" West for a distance of 96.13 feet to the Point of Beginning.

Tract No. 5:

Beginning at the East quarter section corner of Section 8, said corner marked by a R.R. spike; Thence North 00°10'26" East along the east line of Section 8 for a distance of 1623.30 feet to Corner No. 10 Tract E; Thence North 66°08'36" West along the tract line common to Tract E and Tract A for a distance of 27.09 feet to a ½ inch rebar; Thence North 89°58'52" West (West, rec.) for a distance of 429.61 feet to a ½ inch rebar; Thence North 00°11'24" East for a distance of 96.13 feet to a ½ inch rebar which shall be the Point of Beginning;

Thence South 89°58'35" West for a distance of 33.10 feet;  
Thence North 00°10'26" East (North, rec.) for a distance of 0.27 feet;  
Thence South 89°49'34" East (East, rec.) for a distance of 77.02 feet;  
Thence South 89°58'35" West for a distance of 43.92 feet to the Point of Beginning.

Tract No. 6:

Beginning at the East quarter section corner of Section 8, said corner marked by a R.R. spike; Thence North 00°10'26" East along the east line of Section 8 for a distance of 1623.30 feet to Corner No. 10 of Tract E; Thence North 66°08'36" West along the tract line common to Tract E and Tract A for a distance of 27.09 feet to a ½ inch rebar; Thence North 89°58'52" West (West, rec.) for a distance of 429.61 feet to a ½ inch rebar; Thence North 00°11'24" East for a distance of 96.13 feet to a ½ inch rebar; Thence North 89°58'35" East for a distance of 43.92 feet to the Point of Beginning;

Thence North 89°58'35" East for a distance of 181.48 feet;  
Thence South 00°10'26" West (South, rec.) for a distance of 0.63 feet;  
Thence North 89°49'34" West (West, rec.) for a distance of 181.48 feet to the Point of Beginning.

PARCEL NO. 8:

A 30 foot perpetual non-exclusive easement for ingress and egress for the benefit of Parcel No. 7, more particularly described as follows:

Beginning at Corner No. 3 of Farm Tract A, said point being on the East line of the Northeast corner of Section 8;  
Thence West 487.5 feet to a point;  
Thence North 30 feet to a point;  
Thence East 487.5 feet to a point;  
Thence South 30 feet to the Point of Beginning.

PARCEL NO. 9:

TOWNSHIP 8 SOUTH, RANGE 23 EAST, BOISE MERIDIAN,  
MINIDOKA COUNTY, IDAHO

Section 8: That part of Farm Unit G, Tracts C and Tract J of the North Side Pumping Division, Minidoka Project, Idaho (as shown by plat, dated April 25, 1960, on file in the office of the County Recorder, Minidoka County, Idaho), more particularly described as follows:

Beginning at Corner No. 2 of said Farm Unit G, Tracts C and Tract J, which point shall be known as the Point of Beginning;

Thence South 49°59' East for 306.02 feet to the point of Intersection with the quarter section line;

Thence South 89°57'30" West along said quarter section line for 222.79 feet;

Thence North 3°22' West for 197.28 feet to Corner No. 2, which point is the Point of Beginning.

TRACT B

TWIN FALLS COUNTY

PARCEL NO. 1:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,  
TWIN FALLS COUNTY, IDAHO

Section 1: Lot 4; SW¼NW¼ and the NW¼SW¼ lying North of Highline Canal

PARCEL NO. 2:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,  
TWIN FALLS COUNTY, IDAHO

Section 2: Lots 1 and 2 and all that part of the S½NE¼ lying North of the Highline Canal;

Section 2: All that part of Lots 3 and 4, SE¼NW¼ and the NE¼SE¼ lying North and East of the Highline Canal;

PARCEL NO. 3:

TOWNSHIP 10 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,  
TWIN FALLS COUNTY, IDAHO

Section 35: NW¼NE¼ **SAVE AND EXCEPT** the following described tracts:

Tract No. 1:

Commencing at a found brass cap monumenting the Northeast corner of said Section 35 on the centerline of Idaho State Highway No. 74; Thence following the Northerly line of said Section 35 and the centerline of said Idaho State Highway No. 74 North 89°55'59" West for a distance of 2,639.06 feet to a found brass cap monumenting the North quarter corner of said Section 35; Thence leaving said Northerly line and said centerline and following the Westerly line of the NE¼ of said Section 35, South 00°04'29" West for a distance of 33.00 feet to a set ½

inch steel pin on the Southerly right of way line of said Idaho State Highway No.74 being the Point of Beginning;  
Thence leaving said Westerly line and following the said Southerly right of way line, South 89°55'59" East for a distance of 225.81 feet to a set ½ inch steel pin;  
Thence leaving said Southerly right of way line, South 00°04'29" West for a distance of 385.81 feet to a set ½ inch steel pin;  
Thence North 89°55'59" West for a distance of 225.81 feet to a set ½ inch steel pin;  
Thence North 00°04'29" East for a distance of 385.81 feet to the Point of Beginning.

Tract No. 2:

A strip of land 33.0 feet wide along the North side of the NW¼NE¼, more particularly described as follows:

Beginning at the Northwest corner of the NW¼NE¼;

Thence East along the section line for 1312.0 feet, more or less, to the Northeast corner of the NW¼NE¼;

Thence South for 33.0 feet;

Thence West parallel to the section line for 1312.0 feet, more or less;

Thence North for 33.0 feet to the Point of Beginning.

Tract No. 3:

County Road right-of-way

PARCEL NO. 4:

TOWNSHIP 10 SOUTH, RANGE 16 EAST OF THE BOISE MERIDIAN,  
TWIN FALLS COUNTY, IDAHO

Section 36: E½SW¼ and part of the NW¼SE¼ more particularly described as follows:

Beginning at a point which is North 00°01'58" West (North, rec.) 1327.70 feet (1,327.3 feet, rec.) from the Southwest corner of the SE¼ of Section 36;

Thence South 89°56'23" East (North 89°56' East, rec.) for 305.06 feet (309.6 feet, rec.);

Thence North 00°42'58" West (North 0°33' West, rec.) for 117.52 feet (115.9 feet, rec.);

Thence North 20°45'58" West (North 20°50' West, rec.) for 65.57 feet (66.6 feet, rec.);

Thence North 01°49'11" East (North 1°58' East, rec.) for 77.35 feet (77.5 feet, rec.);

Thence North 17°26'52" East (North 18°00' East, rec.) for 47.53 feet (47.5 feet, rec.);

Thence North 05°34'12" East (North 5°32' East, rec.) for 102.69 feet (102.9 feet, rec.);

Thence North 14°30'44" West (North 14°25' West, rec.) for 198.17 feet (198.1 feet, rec.);

Thence North 12°27'02" West (North 12°38' West, rec.) for 260.82 feet (260.9 feet, rec.);

Thence North 04°07'44" East (North 4°22' East, rec.) for 128.45 feet (128.2 feet, rec.);

Thence North 23°36'35" East (North 23°37' East, rec.) for 246.42 feet (247 feet, rec.);

Thence North 27°32'47" East (North 27°38' East, rec.) for 133.38 feet (133.7 feet, rec.);

Thence South 89°57'39" West (North 39°54' West, rec.) for 371.50 feet (373.9 feet, rec.);

Thence South 00°01'58" East (South, rec.) for 1321.79 feet (1321.7 feet, rec.) to the Point of Beginning.

TRACT C

JEROME COUNTY

PARCEL NO. 1:

TOWNSHIP 8 SOUTH, RANGE 21 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 14: SW¼SW¼

Section 15: S½SW¼

Section 22: N½NE¼, N½NW¼, SW¼NW¼, W½SW¼

Section 23: NW¼NW¼

Section 21: NE¼ EXCEPTING THEREFROM the following described parcel:

Beginning at the East ¼ section corner of Section 21 of Township 8 South, Range 21 East, Boise Meridian, said corner marked by a 5/8" rebar; Thence South 89°52'25" West along the South line of the NE¼ for a distance of 667.14 feet to a ½" rebar which shall be the POINT OF BEGINNING;

Thence South 89°52'25" West along the South line of the NE¼ for a distance of 230.99 feet to a ½" rebar;

Thence North 00°07'35" West for a distance of 152.74 feet to a ½" rebar;

Thence along a non-tangent curve to the left for a distance of 180.45 feet to a ½" rebar, said curve having a radius of 1271.19 feet and a central angle of 8°08'01" with a long chord bearing of North 67°32'52" East for a distance of 180.30 feet;

Thence South 59°55'08" East for a distance of 74.30 feet to a ½" rebar;

Thence South 00°07'34" East for a distance of 183.85 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

TOWNSHIP 8 SOUTH, RANGE 21 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 15: SE¼

PARCEL NO. 3:

TOWNSHIP 8 SOUTH, RANGE 21 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 21: A part of the NE¼, more particularly described as follows:

Beginning at the East ¼ section corner of Section 21 of Township 8 South , Range 21 East, Boise Meridian, said corner marked by a 5/8" rebar; Thence South 89°52'25" West along the South line of the NE¼ for a distance of 667.14 feet to a ½" rebar which shall be the POINT OF BEGINNING;  
Thence South 89°52'25" West along the South line of the NE¼ for a distance of 230.99 feet to a ½" rebar;  
Thence North 00°07'35" West for a distance of 152.74 feet to a ½" rebar;  
Thence along a non-tangent curve to the left for a distance of 180.45 feet to a ½" rebar, said curve having a radius of 1271.19 feet and a central angle of 8°08'01" with a long chord bearing of North 67°32'52" East for a distance of 180.30 feet;  
Thence South 59°55'08" East for a distance of 74.30 feet to a ½" rebar;  
Thence South 00°07'34" East for a distance of 183.85 feet to the POINT OF BEGINNING.

PARCEL NO. 4:

An Access and Utility Easement as created by Easement or Right-of-Way for Access Property dated February 6, 2009, recorded February 9, 2009 as Instrument Number 2090547, Jerome County records, described as follows:

TOWNSHIP 8 SOUTH, RANGE 21 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 21: A part of the NE¼, more particularly described as follows:

Beginning at the East ¼ section corner of Section 21 of Township 8 South, Range 21 East, Boise Meridian, said corner marked by a 5/8" rebar; Thence South 89°52'25" West along the South line of the NE¼ for a distance of 30.00 feet to the West right of way of the Crestview Road which shall be the POINT OF BEGINNING.  
Thence South 89°52'25" West along the South line of the NE¼ for a distance of 637.14 feet to a ½" rebar;  
Thence North 00°07'34" West for a distance of 20.00 feet;  
Thence North 89°52'25" East for a distance of 637.21 feet to the East right of way of Crestview Road;  
Thence South 00°03'38" West along said right of way for a distance of 20.00 feet to the POINT OF BEGINNING.

PARCEL NO. 5:

A Well and Utility Easement as created by Joint Well Agreement and Easement dated February 4, 2009, recorded February 6, 2009 as Instrument Number 2090510, Jerome County records, described as follows:

TOWNSHIP 8 SOUTH, RANGE 21 EAST OF THE BOISE MERIDIAN,  
JEROME COUNTY, IDAHO

Section 21: A part of the NE¼, more particularly described as follows:

Beginning at the East  $\frac{1}{4}$  section corner of Section 21 of Township 8 South, Range 21 East, Boise Meridian, said corner marked by a  $\frac{5}{8}$ " rebar; Thence South  $89^{\circ}52'25''$  West along the South line of the NE $\frac{1}{4}$  for a distance of 898.13 feet to a  $\frac{1}{2}$ " rebar; Thence North  $00^{\circ}07'35''$  West for a distance of 99.46 feet to the POINT OF BEGINNING,

Thence North  $75^{\circ}23'42''$  West for a distance of 71.87 feet;

Thence North  $84^{\circ}19'28''$  West for a distance of 148.71 feet;

Thence South  $89^{\circ}21'57''$  West for a distance of 26.93 feet;

Thence South  $62^{\circ}19'19''$  West for a distance of 22.84 feet;

Thence South  $48^{\circ}58'55''$  West for a distance of 49.91 feet;

Thence South  $18^{\circ}42'51''$  East for a distance of 59.32 feet to the POINT OF TERMINUS.

**EXHIBIT B**

B&H Farming  
Loan No: 196782

**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,  
AND FIXTURE FILING**

**Water Rights**

Minidoka, Twin Falls and Jerome Counties, Idaho

| Idaho Department of Water Resources |                     |                      |                                 |                       |     |               |            |
|-------------------------------------|---------------------|----------------------|---------------------------------|-----------------------|-----|---------------|------------|
| <i>Farm Name</i>                    | <i>Right Number</i> | <i>Priority Date</i> | <i>Status</i>                   | <i>Diversion Rate</i> |     | <i>Volume</i> | <i>Use</i> |
| Commons                             | 36-7296             | 11-Apr-73            | Decreed                         | 3.81                  | cfs |               | Irrigation |
| Monson                              | 36-2587             | 19-Feb-64            | Decreed                         | 5.79                  | cfs |               | Irrigation |
| Monson                              | 36-4264             | 1-Apr-74             | Decreed                         | 2                     | cfs |               | Irrigation |
| Monson                              | 36-16206            | 14-Apr-83            | Decreed                         | 1.91                  | cfs |               | Irrigation |
| Neibauer                            | 5-14C               | A&B Irrigation       | Account number attached to land |                       |     |               | Irrigation |
| Neibauer                            | 1-4C                | A&B Irrigation       | Account number attached to land |                       |     |               | Irrigation |
| Neibauer                            | 5-14D               | A&B Irrigation       | Account number attached to land |                       |     |               | Irrigation |
| Neibauer                            | 1-4G                | A&B Irrigation       | Account number attached to land |                       |     |               | Irrigation |
| Norland                             | 36-2118             | 25-May-51            | Decreed                         | 4.4                   | cfs |               | Irrigation |
| Norland                             | 36-11643            | 1-Apr-81             | Decreed                         | 1                     | cfs |               | Irrigation |
| Taylor                              | 36-2195A            | 25-Feb-53            | Decreed                         | 3.61                  | cfs |               | Irrigation |
| May                                 | 36-2322             | 2-Apr-57             | Decreed                         | 4.04                  | cfs |               | Irrigation |
| May                                 | 36-2323             | 15-Apr-57            | Decreed                         | 3.37                  | cfs |               | Irrigation |
| May                                 | 36-2570             | 20-Jun-63            | Decreed                         | 0.08                  | cfs |               | Irrigation |
| May                                 | 36-15226            | 15-Jun-73            | Decreed                         | 0.36                  | cfs |               | Irrigation |

**EXHIBIT C**

B&H Farming  
Loan No: 196782

**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,  
AND FIXTURE FILING**

**Irrigation Equipment**

Minidoka, Twin Falls and Jerome Counties, Idaho

***Neibaur Farm Minidoka County, Idaho***

- 1- 75 H.P. Baldor Horizontal Electric Motor SN#70403310401
- 1 - Cornell Horizontal Booster Pump SN#132825.1356
- 1 - 40 H.P. Baldor Horizontal Electric Motor SN#09901
- 1 – Paco Horizontal Booster Pump SN#99B00274

Together with all column, tubing, shafts and bowls used in conjunction with the above listed deep well turbine pumps and electric. This includes all electric control panels, wiring and switches.

- 1 - Valley 6 Tower Center Pivot w/ swing arm SN#NA
  - 5 – Side-Roll Aluminum Wheel Lines SN#NA
- All buried main line with risers.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the center pivot irrigation systems.

***Norland Farm Minidoka County, Idaho***

- 1 - 300 H.P. US Electric Vertical Motor SN#52-00611-864
- 1 - Layne & Bowler Deep Well Turbine Pump SN#T79176
- 1 - 50 H.P. Baldor Horizontal Electric Motor SN#C1110140517
- 1 - Paco Horizontal Booster Pump SN#RS1146111110DLM
- 1 - 125 H.P. Baldor Horizontal Booster Pump SN#S1106102056
- 1 - Paco Horizontal Pump SN#RS114611110BDLM

Together with all column, tubing, shafts and bowls used in conjunction with the above listed deep well turbine pumps and electric. This includes all electric control panels, wiring and switches.

- 1 – Valley 8 Tower Center Pivot SN#NA's
  - 2 – Side-Roll Aluminum Wheel Lines SN#
- All buried mainline with risers.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the center pivot irrigation systems.

***Pine Martin Farm***

**Section 35:**

- 1- 20 H.P. Baldor Horizontal Electric Motor SN#Z0712120826
- 1 - Cornell Booster Pump SN#152443 7.00

**Section 1:**

- 2- 40 H.P. Baldor Horizontal Electric Motors SN#Z0803201861 & Z0802211716
- 2 - Cornell Booster Pumps SN#152444 13.69
- & 1512443 13.62

**Section 2:**

- 1- 75 H.P. Baldor Horizontal Electric Motor SN#Z081231591
- 1 - Cornell Booster Pump SN#152402 15.22

Together with and used in conjunction with the above listed booster pumps; but not limited to all electric control panels, wiring and switches.

20 – ¼ mile (equivalent) side-roll aluminum wheel lines SN#NA's  
All buried mainline with risers.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the wheel line irrigation systems.

***Taylor Farm Minidoka County, Idaho***

- 1 - 250 H.P. US Electric Vertical Electric Motor SN#961305
- 1 - Peerless Deep Well Turbine Pump SN#191069

Together with all column, tubing, shafts and bowls used in conjunction with the above listed deep well turbine pumps and electric. This includes all electric control panels, wiring and switches.

- 2 - Valley 8 Tower Center Pivots SN# NA's
- All buried mainline.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the center pivot irrigation systems.

***Commons Farm Minidoka County, Idaho***

- 1- 300 H.P. GE Vertical Electric Motor SN#C1516-01-807
- 1 - Johnston Deep Well Turbine Pump SN#NA
- 1 - 30 H.P. Lesson Horizontal Electric Motor SN#7959667-101 22-03
- 1 – Berkeley Booster Pump SN#M1449

Together with all column, tubing, shafts and bowls used in conjunction with the above listed deep well turbine pumps and electric. This includes all electric control panels, wiring and switches.

12 – Side-roll aluminum wheel lines SN#NA's  
Approximately ½ mile of buried mainline with riser.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the irrigation systems.

***May Farm Jerome County, Idaho***

- 1- 300 HP GE Vertical Electric Motor SN#ACJ118001
- 1- 200 HP GE Vertical Electric Motor SN#894068
- 2 - Layne & Bowler Deep Well Turbine Pumps SN#27164 & #NA
- 1 - 75 H.P. GE Horizontal Electric Motor SN#83-11308-236
- 1 - Cornell Horizontal Booster Pump SN#03-5676-1
- 1 - 60 HP Lincoln Horizontal Booster Pump SN#1841980
- 1 - Aurora Horizontal Pump SN#NA

Together with all column, tubing, shafts and bowls used in conjunction with the above listed deep well turbine pumps and electric. This includes all electric control panels, wiring and switches.

- 2 – Valley 8 Tower Center Pivots SN#NA's
  - 3 – Valley 7 Tower Center Pivots SN#1020956, # NA, & # NA
  - 1 – Valley 6 Tower Center Pivot SN# NA
  - 2 – Valley 3 Tower Center Pivots SN#1703933, # NA
- All portable aluminum hand lines for the pivot corners.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the center pivot irrigation systems.

***Monson Farm Minidoka County, Idaho***

- 1 - 350 HP US Electric Vertical Electric Motor SN#1239085
- 1 - Peerless Deep Well Turbine Pump SN#191069
- 1 - 150 Lincoln Horizontal Electric Motor SN#15380
- 1 - Cornell Horizontal Booster Pump SN#1-2790866

Together with all column, tubing, shafts and bowls used in conjunction with the above listed deep well turbine pumps and electric. This includes all electric control panels, wiring and switches.

- 2 - Valley 8 Tower Center Pivots SN# NA's
  - 1 - Zimmatic 8 Tower Center Pivot SN# L52926
  - 1 - Valley 3 Tower Center Pivot SN#12310751934-10
- All buried mainline.

Together with appurtenant filtration, electric control panels, valves, risers, buried mainline, and connectors related to and used in conjunction with the center pivot irrigation systems.

**EXHIBIT D**

B&H Farming  
Loan No: 196782

**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT,  
AND FIXTURE FILING**

**Water Stock**

Minidoka, Twin Falls and Jerome Counties, Idaho

| Canal Shares |                           |               |               |
|--------------|---------------------------|---------------|---------------|
|              | Company                   | Shares        | Certificate # |
| Pine Martin  | Twin Falls Canal Company  | 38            | 40577         |
| Pine Martin  | Twin Falls Canal Company  | 90            | 40577         |
| Pine Martin  | Twin Falls Canal Company  | 139.01        | 40576         |
| Pine Martin  | Twin Falls Canal Company  | 65.75         | 40576         |
| Pine Martin  | Twin Falls Canal Company  | 100.82        | 40576         |
|              | <b>Total Canal Shares</b> | <b>433.58</b> |               |