

RECEIVED

SEP 25 2012

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCESDEPT. OF WATER RESOURCES
SOUTHERN REGION**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): _____

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 Company10801 Mastin Blvd., Suite 930Overland Park, KS 66210

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

Craig S. Hawker and Renae B. Hawker

5. Expiration Date of Notification Period

07/01/2032

6. Is this a Renewal of Request for Notification?



YES



NO

7. Signature(s) of Security Interest holder(s)
(and title if applicable)Kevin J. Harshberger
Kevin J. Harshberger
Director**For Office Use Only**Received by [Signature] Date 10-19-2012 Fee \$250 - total
Receipted by [Signature] Date 10-19-2012 Receipt No. 5032862
Processed by AJ Date 10-19-2012 WR Date **SUPPORT DATA****IN FILE #**415-544

EXHIBIT A

Decree #	Priority Date	Source	CFS	Acres
45-682	12/31/1879	Mill Creek	0.80	83
45-544	12/31/1879	Mill and Summit Creek	0.96	66
45-13605	4/1/1987	Mill and Summit Creek	0.29	66
45-590B	12/31/1879	Summit Creek	0.54	66
45-591	5/1/1883	Mill and Summit Creek	0.42	66
45-13604	4/1/1987	Mill and Summit Creek	0.26	66
45-592	05/01/1882	Spring Sinks	0.01	--
45-629	12/31/1941	Basin Creek	0.04	--
45-682	12/31/1879	Mill Creek	0.8	83
45-11020	04/01/1879	Blue Hill Creek and Unnamed Stream	0.02	--

CASSIA COUNTY
Recorded for:
LAND TITLE AND ESCROW
9:00:04 am 09-20-2012
2012-004410
No. Pages: 32 Fee: \$103.00
JOSEPH W. LARSEN
County Clerk
Deputy: HEVANS

WHEN RECORDED RETURN TO:

Stoel Rives LLP
600 University Street, Suite 3600
Seattle, WA 98101
Attn: Devin McComb

492816

(space above reserved for recorder's use)
**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING
(Cassia County, Idaho)**

DATED: September 14, 2012

FROM: CRAIG S. HAWKER (also known as Craig Hawker) MORTGAGOR
and RENAE B. HAWKER,
husband and wife
590 West 1800 South
Oakley, Idaho 83346

TO: METROPOLITAN LIFE INSURANCE COMPANY MORTGAGEE
a New York corporation
10801 Mastin Blvd., Suite 930
Overland Park, Kansas 66210

Mortgagor is the owner of the real property in Cassia County, Idaho described on the attached Exhibit A.

Mortgagee has loaned or agreed to loan to HAWKER RANCHES, LLC, an Idaho limited liability company, HAWKER CATTLE FEEDERS, L.L.C., an Idaho limited liability company and HAWKER LIVESTOCK, LLC, an Idaho limited liability company (collectively, the "Borrower") the original principal amount of ~~FIVE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND AND NO/100 DOLLARS (\$5,433,000.00)~~ on certain terms and conditions. Such amount will be repayable with interest according to the terms of a promissory note (the "Note"), given by Borrower to evidence such indebtedness, dated of even date herewith, under which the final payment of principal and interest pursuant to the Note will

Loan No. 195678
Hawker Ranches
72299827.1 0053564-00076

be due on July 1, 2032. The Note and any documents or instruments given in renewal, modification, substitution or addition to the Note as originally issued, are collectively referred to herein as the "Note." The Note provides that the interest rate and payment terms may be adjusted. The loan is subject to those terms and conditions contained in a Loan Agreement of even date herewith between Borrower, and Mortgagee, as lender, and acknowledged and approved by Mortgagor as guarantor (the "Agreement"). The loan is guaranteed by Mortgagor under that certain Loan Guaranty Agreement dated of even date herewith.

The term "Indebtedness" as used in this Mortgage shall mean (a) the principal, interest payable and other amounts under the Note including, without limitation, prepayment premiums, (b) any future amounts that Mortgagee may in its discretion loan to Borrower, with interest thereon, (c) any amounts expended or advanced by Mortgagee to discharge obligations of Borrower or expenses incurred by Mortgagee to enforce obligations of Borrower, as permitted under this Mortgage, with interest thereon as provided below, (d) any amount, with interest thereon as provided in Section 13.4 below, to the extent Mortgagee specifically elects by written notice to Mortgagor to include such amounts in the Indebtedness, and (e) all other amounts owing to Mortgagee under the terms of the Note, the Agreement or this Mortgage.

The Indebtedness is also secured by a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated as of even date herewith, executed by Hawker Ranches, LLC, an Idaho limited liability company as trustor, and encumbering certain real and personal property in Kern and Tulare Counties, California (the "California Deed of Trust"). This Mortgage, the Note, the Agreement, and the California Deed of Trust, all assignments and any related documents (except for the Loan Guaranty Agreements and any unsecured environmental indemnity agreements given by Borrower and any of the guarantors for the benefit of Lender in connection with the loan) are collectively referred to as the "Loan Documents".

To secure payment of the Indebtedness and performance of all obligations of Mortgagor under this Mortgage and the Agreement, Mortgagor hereby mortgages, conveys and assigns to Mortgagee the following, whether now owned or hereafter acquired:

- A. The real property in Cassia County, Idaho described on the attached Exhibit A, with all appurtenances and existing or future improvements (the "Real Property");
- B. All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Real Property, including, without limitation, (i) houses, barns, sheds, warehouses, pumphouses, bunkhouses, mobile homes, modular homes, hothouses and all other buildings, (ii) grain bins, grain storage facilities and attachments used to move grain within storage facilities or maintain or ~~modify grain quality, silos, storage bins, metal sheds and buildings, water, sewer utilities and pipelines, windmills, fixed feed facilities, equipment and feed mills~~ (iii) all towers, fences, gates and posts, (iv) all electric, water and gas lines, wiring, pipe and equipment together with meters, transformers, switch boxes, fuse panels, circuit breakers, timing devices, thermostats and control valves, (v) air

conditioning and heating equipment including coils, compressors, ducts and heaters, and (vi) all additions, substitutions and replacements thereof now or hereafter owned by Mortgagor and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Real Property, all of which are hereby declared and shall be deemed to be fixtures and accessions to the Real Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Mortgage;

- C. All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, shrubs, trees and timber now or hereafter located on the Real Property or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, minerals, royalties, easements, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders whatsoever, in any way belonging, relating or appertaining to the Real Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, including without limitation, those described on Exhibit A.
- D. All present and future income, rents, issues, profits and revenues of the Real Property from time to time accruing (including, without limitation, all payments under leases or tenancies, unearned premiums on any insurance policy carried by Mortgagor for the benefit of Mortgagee and/or the Real Property, tenant security deposits, escrow funds and all awards or payments, including interest thereon and the right to receive same, growing out of or as a result of any exercise of the right of eminent domain, including the taking of any part or all of the Real Property or payment for alteration of the grade of any road upon which said Real Property abuts, or any other injury to, taking of or decrease in the value of said Real Property to the extent of all amounts which may be owing on the indebtedness secured by this Mortgage at the date of receipt of any such award or payment by Mortgagor, and the reasonable attorneys' fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law or in equity, of Mortgagor of, in and to the same (the "Income"); reserving only the right to Mortgagor to collect the same as long as no default or event of default as defined in Section 11 below shall have occurred;
- E. All furnishings, fixtures (including trade fixtures), supplies, equipment and inventory used for the production of water on or transportation of water to the Real Property, or for the irrigation or drainage thereof including pumps, motors, pipes, pivots, and drip systems (but not including rolling stock or implements attached thereto), and all substitutions for, or replacements of, the foregoing,

including without limitation (i) all such items that may be removed from the Real Property without a written release from Mortgagee, and (ii) the items described on attached Exhibit B.

- F. All water, water rights, water use agreements, ditches and ditch rights, and any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and all water delivery contracts, water rights purchase agreements or options to purchase water rights and any such rights acquired in the future, which entitle Mortgagor to use water for any purpose upon the Real Property, including, but not limited to the water rights listed on attached Exhibit C, and including without limitation those certain water and well agreements listed on Exhibit C (the rights and interests described in this paragraph are referred to herein as the "Water Rights");
- G. All of Mortgagor's right, title and interest in all leases of or pertaining to the Real Property;
- H. All grazing leases, permits, allotments, licenses and privileges (the "Permits") covering state or federally owned lands used or operated in connection with the Real Property, together with all renewals of such Permits and any such Permits acquired in the future;
- I. All accessions, parts, or additions to and all replacements of and substitution for any of the property described in the preceding clauses; and
- J. All products of any of the property described on the preceding subparagraphs and all proceeds (including insurance proceeds) from the sale or other disposition of any of the property described in the preceding clauses; provided, that by accepting a security interest in proceeds Mortgagee does not consent to sale or other disposition of any of the foregoing.

The real and personal property described above is referred to as the "Property."

Mortgagor hereby grants to Mortgagee a security interest in the Income, the Water Rights, the Permits, and all Property constituting personal property (collectively, the "Personal Property").

This Mortgage is given and accepted on the following terms and conditions which Mortgagor will promptly and faithfully observe and perform:

1. PAYMENT AND PERFORMANCE

- 1.1 Mortgagor shall pay to Mortgagee promptly when due all amounts payment of which is secured by this Mortgage and shall strictly perform

all obligations imposed upon Mortgagor by this Mortgage, the Agreement, and the Note.

2. POSSESSION AND MAINTENANCE OF THE PROPERTY

- 2.1 Possession. Until in default, Mortgagor may remain in possession and control of and operate and manage the Property and collect the Income from the Property.
- 2.2 Duty to Maintain. Mortgagor shall maintain the Property in good condition at all times and promptly perform all repairs and maintenance necessary to preserve its value. The Real Property shall be cultivated in accordance with good husbandry practices and all farming and ranching operations shall be conducted in such manner as to prevent deterioration of the Property, except for reasonable wear and tear from proper use. Without limiting the foregoing, Mortgagor shall operate and maintain the Facilities on the Property in accordance with good farming and ranching practices prevailing in Idaho.
- 2.3 Nuisance, Waste. Mortgagor shall not conduct or permit any nuisance and shall not commit or suffer any strip mining or waste on the Property.
- 2.4 Removal of Improvements. Mortgagor shall maintain and not demolish or remove any improvements from the Property without the prior written consent of Mortgagee. Mortgagee shall consent if Mortgagor makes arrangements satisfactory to Mortgagee to replace any improvement which Mortgagor proposes to remove with one of at least equal value and utility. "Improvements" shall include all existing and future buildings, structures and other fixtures and equipment now or hereafter installed in, attached to or used in connection with the Property, including but not limited to mobile homes, fences, corrals, silos, elevators, storage facilities and irrigation facilities.
- 2.5 Mortgagee's Right to Enter. Mortgagee and its agents and representatives may enter upon the Property at all reasonable times to attend to Mortgagee's interest and to inspect the Property and to inspect any and all financial and other records related to Mortgagee's operations on the Property.
- 2.6 Compliance with Governmental Requirements. Mortgagor shall promptly comply with all laws, ordinances, permits and regulations of all governmental authorities applicable to the use or occupancy of the Property. Mortgagor may contest in good faith any such law, ordinance or

regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Mortgagee's interest in the Property is not jeopardized.

- 2.7 Duty to Protect. Mortgagor shall do all other acts, in addition to those set forth in this Mortgage, that are reasonably necessary to protect and preserve the security based upon the existing character and use of the Property.
- 2.8 Water Rights. All existing Water Rights benefiting the Property and options to purchase water rights shall be maintained by Mortgagor and applied to beneficial use so as to maintain the validity and priority of such rights. Mortgagor shall fully comply with, and not permit a default to occur under, any water delivery contracts used to provide water to the Real Property, and shall timely exercise all renewal or extension rights in such contracts.
- 2.9 Grazing Permits and Licensees. Mortgagor covenants and agrees to renew the Permits upon or prior to their expiration date, to execute any instrument deemed necessary by Mortgagee to effect a collateral assignment or waiver of such renewals to the Mortgagee, and to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of such Permits and all renewals thereof. Mortgagor shall take no action which would adversely affect any of such Permits or Mortgagor's preference status thereunder, and that in the event of foreclosure of this Mortgage, Mortgagor will waive all claims for preference under any such Permits upon demand from the purchaser at foreclosure sale of the Real Property, or any successor to such purchaser. Mortgagor further agrees that the lands covered by any lease, permit or privilege which Mortgagor, with the consent of Mortgagee, shall substitute for the Permits, shall be subject to the provisions of this Mortgage. Upon foreclosure and sale of the Real Property, title to the improvements held by Mortgagor on any federal or state lands covered by the Permits, together with Mortgagor's right to be paid the reasonable value thereof, shall pass free of all encumbrances other than those of the United States or the State of Idaho, to the purchaser at such sale, and the Mortgagee is hereby authorized to execute, at its option, on behalf of the Mortgagor, a bill of sale for such improvements. If title in fee simple to any of the lands covered by the Permits (or to any other lands) shall hereafter be acquired by the Mortgagor, it is understood and agreed that such lands shall, upon such acquisition, become subject to the lien of this Mortgage to the same extent as though lands had originally been included herein as part of the Real Property, and further, that all of the terms, covenants, conditions and

stipulations of this Mortgage, applicable to the Real Property, shall extend and be applicable to any lands hereafter so acquired.

3. TAXES, ASSESSMENTS AND LIENS

- 3.1 Payment. Mortgagor shall pay when due all taxes and assessments levied against or on account of the Property, and all dues and assessments upon water or ditch rights or shares of stock evidencing any such right, and shall pay when due all claims for work done on or for services rendered or materials furnished to the Property. Mortgagor shall maintain the Property free of any liens charges or encumbrances except for the lien of this Mortgage, except for the Permitted Encumbrances (defined below) and the lien of taxes and assessments not due, except as otherwise provided in Section 3.2.
- 3.2 Right to Contest. Mortgagor may withhold payment of any tax, assessment or claim in connection with a good faith dispute over the obligation to pay, so long as Mortgagee's interest in the Property is not jeopardized as determined by Mortgagee. If the Property is subjected to a lien (except for liens for taxes and assessments that are not yet due) which is not discharged within fifteen (15) days, Mortgagor shall upon demand by Mortgagee deposit with Mortgagee cash, a sufficient corporate surety bond or other security satisfactory to Mortgagee in an amount sufficient to discharge the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale under the lien. In any contest proceedings, Mortgagor will defend itself and Mortgagee and will name Mortgagee as an additional obligee under any surety bond, and Mortgagor shall satisfy any final adverse judgment before enforcement against the Property.
- 3.3 Evidence of Payment. Mortgagor shall promptly furnish evidence of payment of taxes and assessments to Mortgagee promptly upon demand. Mortgagor shall authorize the appropriate county or district official to deliver to Mortgagee at any time a written statement of the taxes and assessments against the Property, and shall pay the expense of a tax reporting service for the Property, if required by Mortgagee.
- 3.4 Notice of Construction. Mortgagor shall notify Mortgagee at least fifteen (15) days before any work is commenced, any services are furnished or any materials are supplied to the Property if a construction lien could be asserted on account of the work, services or materials. On Mortgagee's request, Mortgagor will promptly furnish advance assurances satisfactory

to Mortgagee that Mortgagor can and will pay the cost of such improvements.

- 3.5 Farm or Forest Classification. Mortgagor agrees to maintain the agricultural use or forest lands classification of the Property on the tax roll, and not to allow any act or omission which would disqualify the Property for assessment as agricultural use or forest lands.

4. PROPERTY DAMAGE INSURANCE

- 4.1 Maintenance of Insurance. Mortgagor shall carry such insurance as the Mortgagee may reasonably require. This shall include policies of fire and tornado insurance covering all improvements on the Property for at least their insurable value, in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Mortgagee, liability insurance and insurance against such other risks as may be specified by the Mortgagee. Policies shall be written in amounts, in form, on terms and with companies reasonably acceptable to Mortgagee. Mortgagor shall deliver to Mortgagee certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of ten (10) days' written notice to Mortgagee.
- 4.2 Application of Proceeds. Mortgagor shall promptly notify Mortgagee of any loss or damage to the Property. Mortgagee may make proof of loss if Mortgagor fails to do so within fifteen (15) days of the casualty. Proceeds shall be paid directly to the Mortgagee. The proceeds of any insurance on the Property shall be used first to pay the cost of collecting such proceeds, if any, and then to prepay first accrued interest and then principal of Mortgagor's Indebtedness, or, at the election of the Mortgagee, such proceeds may be used to repair or replace the damaged or destroyed improvements in a manner satisfactory to Mortgagee.
- 4.3 Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any foreclosure sale of the Property.

5. WARRANTIES OF MORTGAGOR

- 5.1 Title. Mortgagor warrants that it holds indefeasible and marketable fee title to the Real Property, and merchantable fee title to all of the remainder of the Property in free of all encumbrances other than those special exceptions set forth in the title insurance policy to be issued to Mortgagee at closing (the "Permitted Encumbrances").
- 5.2 Defense of Title. Subject to the exceptions in the paragraph above, Mortgagor warrants and will forever defend the title to the Property (including, without limitation, all Water Rights) against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Mortgagor's title or the interest of Mortgagee under this Mortgage, Mortgagor shall defend the action at its expense. If any Permitted Encumbrance is a lien, Mortgagor shall pay any sums and do any other acts necessary to prevent a default or prevent any action or condition which, with the lapse of time, the giving of notice or any other action of a creditor, would be a default or enable any creditor to declare a default or foreclose any Permitted Encumbrance which is a lien.
- 5.3 Other Agreements. Mortgagor represents and warrants that the borrowing evidenced by the Note and the execution and delivery of the Note, the Agreement and this Mortgage will not contravene any provision of law or of the articles of organization or operating agreement of the Mortgagor or any other agreement binding upon Mortgagor.
- 5.4 No Litigation. Mortgagor represents and warrants that there is no litigation pending or, to the best of knowledge of its officers, members or managers, threatened against Mortgagor which will substantially adversely affect the ability of Mortgagor to perform its obligations hereunder, nor will the execution or performance of this Mortgage and the Note violate the terms of any order of any court. If such litigation is filed, Mortgagor agrees to notify Mortgagee promptly by providing Mortgagee with a copy of the summons and complaint.
- 5.5 Water. The Water Rights afford the continuing, enforceable right to receive irrigation water on the Real Property from such sources, in such quantities and at such times and locations as has historically been available to the Real 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 farming operations on the Real Property.

6. CONDEMNATION

Loan No. 195678

Hawker Ranches

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- 6.1 Application of Net Proceeds. If all or any part of the Property is condemned, Mortgagee may elect to require that all or any portion of the net proceeds of the condemnation be applied on the Indebtedness. The "net proceeds" shall mean the total amount available after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Mortgagor and Mortgagee in connection with the taking by condemnation. Sale of all or any part of the Property to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation to which this section shall apply.
- 6.2 Proceedings. If any proceedings in condemnation are filed, Mortgagor shall promptly take such steps as may be necessary to defend the action and obtain the award. Mortgagee shall be entitled, at its option, to commence, appear in and prosecute in its own name, any action or proceeding, or to make any compromise or settlement, in connection with such taking or damage, and to obtain all compensation, awards or other relief therefore to which Mortgagor may be entitled.

7. IMPOSITION OF TAX BY STATE

- 7.1 State Taxes Covered. The following shall constitute state taxes to which this section applies:
- (a) A specific tax upon deeds of trust or mortgages or upon all or any part of the indebtedness secured by a mortgage.
 - (b) A specific tax on a mortgagor which the taxpayer is authorized or required to deduct from payments on the indebtedness secured by a deed of trust or mortgage.
 - (c) A tax on a deed of trust or mortgage chargeable against the beneficiary or the holder of the note secured.
 - (d) A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by a mortgagor.
- 7.2 Remedies. If any state tax to which this section applies is enacted subsequent to the date of this Mortgage, this shall have the same effect as

a default, and Mortgagee may exercise any or all of the remedies available to it in the event of a default unless the following conditions are met:

- (a) Mortgagor pays the tax or charge imposed by the state tax, and
- (b) Mortgagor pays the tax or charge within thirty (30) days after notice from Mortgagee that the tax law has been enacted or fifteen (15) days prior to the date the tax is payable, whichever is later.

8. TRANSFER BY MORTGAGOR

8.1 Prohibition of Transfer Without Consent. Mortgagor shall not sell, lease, agree to sell or lease, assign, convey, subcontract, encumber or otherwise transfer any part or all of the Property or any interest in the Property, whether or not pursuant to existing rights of record, or any interest in any entity constituting Mortgagor, without the prior written consent of Mortgagee, which consent may be withheld in Mortgagee's sole discretion. If Mortgagor or a prospective transferee applies to Mortgagee for consent to a transfer, Mortgagee may require such information as may be reasonably necessary for Mortgagee to assess the prospective transferee's prior business experience, reputation and financial ability to perform Mortgagor's obligations under this Mortgage. For the purpose of this Section 8.1, and without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Mortgagee's prior written consent, shall be deemed to be a transfer of title to the Property:

- (a) Any sale, conveyance, assignment or other transfer of, or the grant of a security interest in all or any part of the legal or equitable title to the Property;
- (b) Any lease of the Property, or portion thereof, with a term greater than one year;
- (c) Any conveyance, grant or other transfer of the legal or equitable title to the Property which occurs by operation of law, by trustees in bankruptcy, receivers or estate administrators or executors, or by or through a bankruptcy court.
- (d) Any sale, transfer or assignment in any manner of membership interests in any entity constituting Mortgagor which results in ten

percent (10%) or more of the membership interest in such entity being held by individuals or entities which are not, on the date hereof, members in Mortgagor.

- 8.2 Condition to Consent. As a condition of its consent to any transfer, Mortgagee may in its discretion impose a service charge and may increase the interest rate of the Indebtedness to such rate as Mortgagee may then determine to be its current rate on comparable new agricultural loans in the State of Idaho. Mortgagee may increase the amount of each remaining installment so that the Indebtedness will be fully paid by the original maturity date. In no event, however, shall the interest rate be increased beyond the maximum rate permitted under applicable law.
- 8.3 Effect of Consent. Consent by Mortgagee to one transfer shall not constitute a consent to other transfers or a waiver of this section. No transfer by Mortgagor shall relieve Mortgagor of liability for payment of the Indebtedness. Following a transfer, Mortgagee may agree to any extension of time for payment or modification of the terms of this Mortgage or the Note or waive any right or remedy under this Mortgage or the Note without relieving Mortgagor from liability. Mortgagor waives notice, presentment and protest with respect to the Indebtedness.

9. SECURITY AGREEMENT; SECURITY INTEREST; ASSIGNMENT OF LEASES

- 9.1 Security Agreement. This instrument shall constitute a security agreement with respect to the Personal Property, fixtures and any other personal property included in the description of the Property, and Mortgagor hereby grants to Mortgagee a security interest therein.
- 9.2 Security Interest. Upon request by Mortgagee, Mortgagor shall execute financing statements and take whatever other action is requested by Mortgagee to perfect and continue Mortgagee's security interest in the Personal Property and fixtures. Mortgagor hereby appoints Mortgagee as Mortgagor's attorney in fact for the purpose of executing any documents necessary to perfect or continue the security interest granted therein, and authorizes Mortgagee to file such financing statements as Mortgagee deems appropriate to perfect its security interest in the Personal Property and fixtures. Mortgagee may file copies or reproductions of this Mortgage as a financing statement at any time without further authorization from Mortgagor. Mortgagor will reimburse Mortgagee for all expenses incurred in perfecting or continuing this security interest. Upon default,

Mortgagor shall assemble the personal property and make it available to Mortgagee within three (3) days after receipt of written demand from Mortgagee.

- 9.3 Fixture Filing. This instrument constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the County in which the Real Property is located with respect to any and all fixtures included in the term Property as used herein and with respect to any goods or other personal property that may now be or hereafter become fixtures. The Mortgagor is the record owner of the Property.

Name and address of Mortgagee (Secured Party) from whom information may be obtained:

Metropolitan Life Insurance Company
Agricultural Investments
10801 Mastin Blvd., Suite 930
Overland Park, KS 66210

Mailing address of Mortgagor (Debtor):

Craig S. Hawker
Rena B. Hawker
590 West 1800 South
Oakley, ID 83346

9.4 Assignment of Leases.

- 9.4.1 As additional collateral and to further secure the Indebtedness and other obligations of Mortgagor, Mortgagor does hereby absolutely, presently and irrevocably assign, grant, transfer, and convey to Mortgagee, its successors and assigns, the Income, and all of Mortgagor's right, title, and interest in, to, and under all leases, subleases, tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts and other contracts, licenses and permits, map approvals and conditional use permits, whether written or oral, now or hereafter affecting or benefitting all or any part of the Property or the use thereof, and any agreement for the use or occupancy of all or any part of said Property or any adjoining property used for the benefit of the Property which may have been made heretofore or which may be made hereafter, including any and all extensions, renewals,

and modifications of the foregoing and all extensions, renewals, and modifications of the foregoing and guaranties of the performance or obligations of any tenants thereunder, and all other arrangements of any sort resulting in the payment of money to Mortgagor or in Mortgagor becoming entitled to the payment of money for the use of the Property or any other property or assets benefitting the Property or any part thereof whether such user or occupier is tenant, invitee, or licensee (all of the foregoing hereafter referred to collectively as the "Leases" and individually as a "Lease", and said tenants, invitees, and licensees are hereafter referred to collectively as "Tenants" and individually as "Tenant" as the context requires), which Leases cover all or portions of the Property or adjoining property used for the benefit of the Property; together with all of Mortgagor's right, title, and interest in and to all income, rents, issues, royalties, receivables, profits, rights and benefits and all Tenants' security and other similar deposits derived with respect to the Leases and with respect to the Property, including, without limitation, all base and minimum rents, percentage rents, additional rents, payments in lieu of rent, expense contributions, and other similar such payments and the right to collect the same as they become due, it being the intention of the parties hereto to establish an absolute transfer and assignment of all of the Leases and the Income to Mortgagee, and not just to create a security interest.

9.4.2 Mortgagor hereby represents, warrants, and agrees as follows:

- (a) Mortgagor is the sole holder of the landlord's interest under the Leases, is entitled to receive the Income under the Leases and from the Property, and has the full right to sell, assign, transfer, and set over the same and to grant to and confer upon Mortgagee the rights, interests, powers and authorities herein granted and conferred;
- (b) Mortgagor has made no pledge or assignment of the Leases or Income, other than to Mortgagee, and Mortgagor shall not, after the date hereof, make or permit any such pledge or assignment.

9.4.3 Mortgagor shall authorize and direct, and does hereby authorize and direct, each and every present and future Tenant of the whole or any part of the Property to pay all rental to Mortgagee from and after the date of receipt of written demand from Mortgagee to do

so. Although this Mortgage constitutes an absolute, present and current assignment of all Income, as long as no event of default as described in Section 11 on the part of the Mortgagor shall have occurred, Mortgagee shall not demand that such Income be paid directly to Mortgagee, and Mortgagor shall have a license to collect, but not more than one (1) month prior to the due date thereof, all such Income from the Property (including, without limitation, all rental payments under the Leases).

- 9.4.4 As additional collateral and to further secure the Indebtedness and other obligations of Mortgagor, Mortgagor does hereby absolutely, presently and irrevocably assign, grant, transfer, and convey to Mortgagee, its successors and assigns, all of Mortgagee's right, title, and interest in, to, and under all franchise agreements, spreading agreements, management contracts, construction contracts, water production contracts, wastewater discharge permits and contracts, well site agreements, well sharing and use agreements, equipment leases, insurance policies, general intangibles and other contracts, licenses and permits map approvals and conditional use permits, whether written or oral, now or hereafter affecting or benefitting all or any part of the Property or the use thereof or adjoining property used for the benefit of the Property, which may have been made heretofore or which may be made hereafter, including any and all extensions, renewals, and modifications of the foregoing and guaranties of the performance or obligations of any obligors thereunder (all of the foregoing hereafter referred to collectively as the "Contracts" and individually as a "Contract" as the context requires); together with all of Mortgagee's right, title, and interest in and to all income, issues, royalties, profits, rights and benefits derived with respect to the Contracts and with respect to the Property, and the right to collect the same as they become due. The foregoing collateral assignment encompasses the right, after the occurrence and during the continuation of an event of default, to (a) terminate any of the Contracts, (b) perform or compel performance and otherwise exercise all remedies under the Contracts, and (c) collect and receive all sums which may become due Mortgagee or which Mortgagee may now or shall hereafter become entitled to demand or claim, under the Contracts.

10. RELEASE ON FULL PERFORMANCE

If all of the Indebtedness is paid when due and Mortgagor otherwise performs all the obligations imposed upon Mortgagor under this Mortgage, Mortgagee shall, if requested, execute and deliver to Mortgagor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file. The reconveyance and filing fees shall be paid by Mortgagor.

11. **DEFAULT**

The following shall constitute events of default:

- (a) Failure of Mortgagor to pay, or cause to be paid, any portion of the Indebtedness when it is due.
- (b) Failure of Mortgagor within the time required by this Mortgage to make any payment for taxes, assessments, insurance, or any other payment necessary to prevent filing or discharge of any lien.
- (c) Transfer (either voluntarily or by operation of law) as defined in Section 8 above, of any part or interest in the Property without the prior written consent of Mortgagee, except as expressly permitted herein.
- (d) Dissolution, termination of existence, insolvency on a balance sheet basis or business failure of Mortgagor; the commencement by Mortgagor of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Mortgagor in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Mortgagor to the appointment of a receiver, trustee or custodian of Mortgagor or of any of Mortgagor's property; an assignment for the benefit of creditors by Mortgagor; the making or suffering by Mortgagor of a fraudulent transfer under applicable federal or state law; concealment by Mortgagor of any of its property in fraud of creditors; the making or suffering by Mortgagor of a voidable preference within the meaning of the federal bankruptcy law; the imposition of a lien through legal proceedings or distraint upon any of the property of Mortgagor which is not discharged or bonded in the manner permitted by Section 3.2 above; or Mortgagor's failure generally to pay its debts as such debts become due. The events of default in this paragraph shall apply and refer to Mortgagor and to each of the individuals or entities which are collectively referred to as "Mortgagor."

- (e) Failure of Mortgagor to perform any other obligation under this Mortgage or the Agreement within ten (10) days after receipt of written notice from Mortgagee specifying the nature of the default or, if the default cannot be cured within ten (10) days, failure within such time to commence and pursue curative action with reasonable diligence, but in no event shall the period for cure exceed ninety (90) days. No notice of default and no opportunity to cure shall be required if during the prior twelve (12) months Mortgagee has already sent a notice to Mortgagor concerning default in performance of the same obligation.
- (f) Any representation or warranty of Mortgagor contained herein or in the Agreement proving to be untrue or misleading in any material respect.
- (g) The occurrence of a default or event of default under the California Deed of Trust.
- (h) The occurrence of a default or event of default under any mortgage, security agreement, encumbrance, tax lien or assessment or other security instrument encumbering all or any portion of the Property.

12. RIGHTS AND REMEDIES ON DEFAULT

12.1 Remedies. Upon the occurrence of any event of default and at any time thereafter, Mortgagee may exercise any one or more of the following rights and remedies:

- (a) Mortgagee may declare the entire Indebtedness immediately due and payable.
- (b) Mortgagee may obtain a decree foreclosing Mortgagor's interest in all or any part of the Property. If permitted by applicable law, Mortgagee may foreclose Mortgagor's interest in all or any part of the Property by nonjudicial sale.
- (c) If permitted by applicable law, Mortgagee may obtain a judgment against Mortgagor for any deficiency remaining in the Indebtedness due to Mortgagee after application of all amounts received from the exercise of the rights provided in this section.

- (d) With respect to all or any part of the Property that constitutes personalty, may exercise the rights and remedies of a secured party under the Uniform Commercial Code. Mortgagee shall have the option of proceeding as to the Real Property and all or some of the personal property, separately or together, in accordance with the unified sale procedures of the Uniform Commercial Code.
- (e) Mortgagee shall have the right, without notice to Mortgagor, to take possession of the Property and collect the Income, including amounts past due and unpaid, and apply the net proceeds, over and above Mortgagee's costs, against the Indebtedness. In furtherance of this right, Mortgagee may require any tenant or other user to make payments of rent or use fees directly to Mortgagee. If the Income is collected by Mortgagee, then Mortgagor irrevocably designates Mortgagee as Mortgagor's attorney in fact to endorse instruments received in payment thereof in the name of Mortgagor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Mortgagee in response to Mortgagee's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Mortgagee may exercise its rights under this paragraph either in person, by agent or through a receiver.
- (f) Mortgagee shall have the right to have a receiver appointed to take possession of any or all of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, to collect the Income from the Property and to apply the proceeds, over and above cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Mortgagee's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Mortgagee shall not disqualify a person from serving as a receiver.
- (g) In the event Mortgagor remains in possession of the Property after the Property is sold as provided above or Mortgagee otherwise becomes entitled to possession of the Property upon default of Mortgagor, Mortgagor shall become a tenant at will of Mortgagee or the purchaser of the Property and shall pay a reasonable rental for use of the Property while in Mortgagor's possession.
- (h) Mortgagee shall have any other right or remedy provided in this Mortgage, the Note, the Agreement, or any other instrument

delivered by Mortgagor in connection therewith, or available at law, in equity or otherwise, whether or not specified herein.

12.2 Rights of Receiver or Mortgagee-in-Possession. Upon taking possession of all or any part of the Property, the receiver or Mortgagee may:

- (a) Use, operate, manage, control and conduct business on the Property, including grazing of livestock and harvesting and selling crops, and make expenditures for all maintenance and improvements as in its judgment are proper;
- (b) Collect the Income from the Property and apply such sums to the expenses of use, operation and management;
- (c) At Mortgagee's option, complete any construction in progress on the Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Mortgagee deems appropriate; and
- (d) Cancel or terminate any lease or agreement for any cause for which Mortgagor would be entitled to cancel the same, elect to disaffirm any lease or agreement subordinate to the lien of this Mortgage and extend or modify any lease and make any new leases on any portion of the Property.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Mortgagee (if Mortgagee, in its sole discretion, agrees to lend) or otherwise, or Mortgagee may borrow or advance such sums as the receiver or Mortgagee may deem necessary for the purposes stated in this paragraph. The amounts borrowed or advanced shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Section 13.4 below. Such sums shall become a part of the Indebtedness secured by this Mortgage and shall be payable by Mortgagor on demand.

12.3 Sale of the Property. In exercising its rights and remedies, Mortgagee may cause all or any part of the Property to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Mortgagee may bid at any public sale on all or any portion of the property.

12.4 Notice of Sale. Mortgagee shall give Mortgagor reasonable notice of the time and place of any public sale of any personal property or of the time

after which any private sale or other disposition of the personal property is to be made. Reasonable notice shall mean notice given at least 10 days prior to the time of the sale or disposition.

12.5 Waiver; Election of Remedies. A waiver by either party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Mortgagee to pursue any remedy shall not exclude pursuit of any other remedy, and all remedies of Mortgagee under this Mortgage are cumulative and not exclusive. An election to make expenditures or to take action to perform an obligation of Mortgagor shall not affect Mortgagee's right to declare a default and exercise its remedies under this Mortgage.

12.6 Attorneys' Fees; Expenses. In the event suit or action is instituted to enforce any of the terms of this Mortgage, the prevailing party shall be entitled to recover its reasonable attorneys' fees in exercising any of its remedies hereunder, including nonjudicial foreclosure or requested relief from the automatic stay in bankruptcy proceedings, otherwise at trial, on any appeal and on any petition for review, in addition to all other sums provided by law. Whether or not any court action is involved, all reasonable expenses incurred by Mortgagee that are necessary at any time in Mortgagee's opinion for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Section 13.4 below. Expenses covered by this paragraph include (without limitation) the cost of searching records and obtaining title reports, surveyors' reports, attorneys' fees and title insurance. Any expenses covered by this section shall be a lien on the Property prior to any right, title or interest in or claim upon the Property attaching or accruing subsequent to the lien of this Mortgage, and shall be added to the principal amount intended to be secured hereby.

13. MISCELLANEOUS

13.1 Time of Essence. Time is of the essence of this Mortgage.

13.2 Binding upon Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Mortgagor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. All of the grants, covenants, terms, provisions and conditions herein contained shall run with the Real Property and shall apply to, bind

and move to the benefit of the successors and assigns of Mortgagor and Mortgagee.

- 13.3 Security Agreement. In construing this Mortgage, the term "Mortgage" shall encompass the term "security agreement" when the instrument is being construed with respect to any personal property.
- 13.4 Expenditure by Mortgagee. If Mortgagor fails to comply with any provision of this Mortgage, Mortgagee may elect to take the required action on Mortgagor's behalf, and any amount that Mortgagee expends in so doing shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest from the date of expenditure at the Default Interest Rate (as specified in the Note), but not in any event at a rate higher than the maximum rate permitted by law. Such action by Mortgagee shall not constitute a cure or waiver of the default or any other right or remedy which Mortgagee may have on account of Mortgagor's default.
- 13.5 Notices. Any notice under this Mortgage shall be in writing and shall be effective when either delivered in person or, if mailed, shall be deemed effective when deposited as registered or certified mail, postage prepaid, addressed to the party at the address stated in this Mortgage. Any party may change its address for notices by written notice to the other.
- 13.6 Modification or Extension of Indebtedness; Release of Obligors. The taking by Mortgagor of any additional security, the release of any person now or hereafter liable for the repayment of the Indebtedness, or any extension of the time of payment of the Indebtedness or the renewal thereof, shall not diminish the effectiveness of this Mortgage or the lien of this Mortgage and shall not affect or impair the liability of any maker, surety or endorser for the payment of the Indebtedness.
- 13.7 Release of Security. Mortgagee shall have the right to release, with or without consideration or credit on the Indebtedness secured, any part of the Property. Without regard to the existence of any junior encumbrance and without the consent of such junior encumbrance, and such release shall have no further effect upon the rank, lien or estate conveyed of this Mortgage.
- 13.8 Waiver of Marshalling. Mortgagor expressly waives, to the full extent permitted by law, and relinquishes any right to claim a marshalling of assets in respect to the Property, or any part thereof, in the event of the foreclosure or other enforcement of this Mortgage.

- 13.9 Invalid Provisions to Affect No Others. If any of the provisions contained in the Note or this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions in this Mortgage and the Note shall not be affected thereby.
- 13.10 Changes in Writing. This Mortgage and any of its terms may only be changed, waived, discharged or terminated by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement subsequently made by Mortgagor or Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.
- 13.11 Applicable Law. This Mortgage has been executed and delivered to Mortgagee in the State of Idaho. The law of the State of Idaho shall be applicable for the purpose of construing and determining the validity of this Mortgage and, to the fullest extent permitted by the law of any state in which any of the Property is located, determining the rights and remedies of Mortgagee on default.
- 13.12 Joint and Several Liability. If Mortgagor consists of more than one person or entity, the obligations imposed upon Mortgagor under this Mortgage shall be joint and several.
- 13.13 Assignment of Oil, Gas and Mineral Income. Mortgagor hereby presently assigns and transfers to Mortgagee the Income and all sums payable to them under any and all oil, gas and mineral leases relating to the Real Property now negotiated or to be negotiated. However, these assigned payments shall continue to be paid to Mortgagor unless and until the Mortgagee gives written notice of a default by the Mortgagor under the terms of this Mortgage or the Note of even date herewith. Once this written notice has been given by the Mortgagee, the Mortgagee is entitled to receive any such payments. If any such default is timely cured, all assigned payments shall continue to be paid to the Mortgagor.
- 13.14 Exhibits. The following exhibits are attached hereto and made a part hereof as fully as if set forth herein:

Exhibit A	Legal Description
Exhibit B	Equipment
Exhibit C	Water Rights

- 13.15 Related Obligations. By executing, delivering and accepting this Mortgage, Mortgagor and Mortgagee acknowledge and agree that the terms of the Loan Agreement are applicable hereto and incorporated and

restated herein by this reference. To the extent the terms of the Loan Agreement are expressly inconsistent with or in addition to those of this Mortgage, the Loan Agreement shall be controlling. As a result of the foregoing, Mortgagor and Mortgagee acknowledge and agree that unless, until and to the extent provided otherwise in a subsequent written agreement executed by Mortgagee:

- (a) the Note is secured by this Mortgage and the California Deed of Trust;
- (b) any default under the Loan Agreement, the Note, the Loan Documents, the California Deed of Trust, or any of the security documents, indemnities, assignments, guarantees or other agreements executed in connection therewith or to secure the same (collectively, the "Related Loan Documents") shall constitute a Default under this Mortgage;
- (c) any Default under the Note or this Mortgage shall constitute a default under the Loan Agreement and all of the other Related Loan Documents;
- (d) any notice, grace and cure periods provided for in the Loan Agreement or any of the other Related Loan Documents shall run concurrently as to any given Default;
- (e) Mortgagee shall have the right to exercise any remedies under the Loan Agreement and other Related Loan Documents against any one or more properties or all of the properties at such times and in such order as it elects from time to time without waiving its rights against any person or any other property or properties; and

Neither this Mortgage nor the cross-collateralization of the Related Loan Documents shall be affected or impaired by (1) any election of remedies made by Mortgagee; (2) any inability of Mortgagee to recover any sums from any other obligor; (3) any impairment of Mortgagor's rights of subrogation, reimbursement, indemnity or contribution as against any other obligor, the inability of any obligor to pay any sum to any person, or any stay or prohibition against any other obligor's payment of any debt; (4) the bankruptcy or insolvency of any other obligor; (5) Mortgagee's unilateral release of, waiver of rights against or modification of the liabilities of any other obligor; (6) any failure of any of the Loans to close or to be fully disbursed; (7) the actual use of the proceeds of any of the Notes; (8) any other act, omission, agreement, modification, extension, consent, waiver, settlement, forbearance, action, foreclosure or transaction with respect to any of the Loans to the extent the same does not include an express written waiver of any particular rights or remedies against Mortgagor executed by Mortgagee; or (9) except as otherwise specifically agreed by Mortgagee in writing, any assignment, transfer or conveyance, in

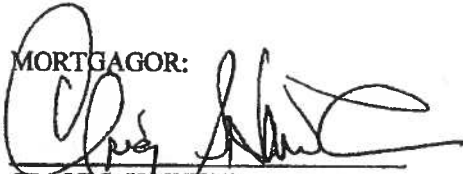
whole or in part, of the ownership interests in Mortgagor, Mortgagor's property, the ownership interests in Mortgagee or the Loan.

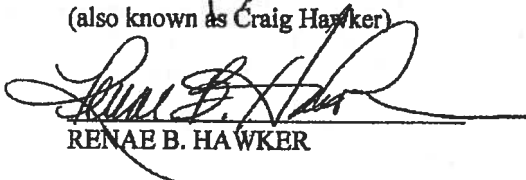
- 13.15 Counterparts. This Mortgage may be executed in any number of counterparts, each of which, when so executed and delivered shall be deemed to be an original and all of which together shall constitute on and the same instrument.
- 13.16 Waiver of Homestead Exemption. Mortgagor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all Indebtedness secured by this Mortgage.
- 13.17 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 this page intentionally left blank]

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed as of the day and year first written above.

MORTGAGOR:


CRAIG S. HAWKER
(also known as Craig Hawker)


RENAE B. HAWKER

ACKNOWLEDGMENTS

STATE OF CALIFORNIA)
COUNTY OF Kern)ss.
)

On September 17, 2012, before me, KJ Wright, a Notary Public, personally appeared CRAIG S. HAWKER, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



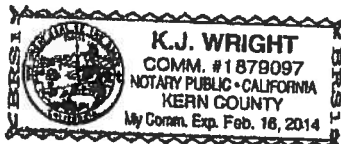
WITNESS my hand and official seal.

[Signature]
Notary Public in and for said
County and State

STATE OF CALIFORNIA)
COUNTY OF Kern)ss.
)

On September 17, 2012, before me, KJ Wright, a Notary Public, personally appeared RENAE B. HAWKER, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

[Signature]
Notary Public in and for said
County and State

**EXHIBIT A
TO
MORTGAGE**

Legal Description

The following real property situated in Cassia County, Idaho:

PARCEL NO. 1:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 31: SE $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 6: Lot 1

PARCEL NO. 2:

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 5: SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, **SAVE AND EXCEPT** the following described tract:

Beginning at the Northeast corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 5, which shall be the Point of Beginning;
Thence South 00°01'41" West along the East line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ for a distance of 235.62 feet;
Thence North 89°23'04" West for a distance of 59.29 feet to a $\frac{1}{2}$ inch rebar;
Thence North 89°23'04" West for a distance of 261.85 feet to a $\frac{1}{2}$ inch rebar;
Thence North 30°38'55" West for a distance of 162.57 feet to a $\frac{1}{2}$ inch rebar;
Thence North 02°59'05" East for a distance of 97.59 feet to a $\frac{1}{2}$ inch rebar on the North line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$;
Thence South 89°15'33" East along the North line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ for a distance of 340.66 feet to a $\frac{1}{2}$ inch rebar;
Thence South 89°15'33" East along the North line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ for a distance of 58.40 feet to the Point of Beginning.

PARCEL NO. 3:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 23: SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 26: E $\frac{1}{2}$, E $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 35: E $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Loan No. 195457

Cranney Land Company, L.L.C.

72299827.1 0053564-00076

Exhibit A

Section 2: Lot 2 (NW¼NE¼), Lot 3 (NE¼NW¼), Lot 4 (NW¼NW¼)

PARCEL NO. 4:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 29: SE¼SE¼

SAVE AND EXCEPT the following described tract:

Beginning at the Northeast corner of the SE¼SE¼ of said Section 29, said corner marked by a 5/8 inch rebar; Thence South 00°24'26" (South 0°02' East, rec.) along the East line of Section 29 for a distance of 10.73 feet (10.70 feet, rec.) to a ¼ inch rebar which shall be the Point of Beginning;

Thence South 00°24'26" East (South 0°02' East, rec.) along the East line of Section 29 for a distance of 356.36 feet to a ¼ inch rebar;

Thence South 89°58'56" West for a distance of 28.00 feet to a ¼ inch rebar;

Thence North 00°44'51" West for a distance of 356.89 feet to a ¼ inch rebar;

Thence South 89°02'25" East for a distance of 30.13 feet to the Point of Beginning.

PARCEL NO. 5:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 32: SW¼NW¼ and NW¼SW¼

EXCEPTING THEREFROM, that part of the NW¼SW¼ of said Section 32, more particularly described as follows:

Beginning at the Southwest corner of the NW¼SW¼ of Section 32, said corner marked by a ½ inch rebar; Thence North 0°50'25" West along the West line of Section 32 for 12.00 feet to a ¼ inch rebar which shall be the Point of Beginning;

Thence North 00°50'25" West along the West line of Section 32 for a distance of 208.71 feet to a ¼ inch rebar;

Thence South 89°20'00" East for a distance of 208.71 feet to a ¼ inch rebar;

Thence South 00°50'25" East for a distance of 208.71 feet to a ¼ inch rebar in the approximate center of a county road;

Thence North 89°20'00" West along the approximate center of a county road for a distance of 208.71 feet to the Point of Beginning.

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 32: Part of the NE¼SW¼, more particularly described as follows:

Beginning at the Southwest corner of the NE¼SW¼ of said Section 32;

Thence East 20 rods;

Thence North 20 rods;

Thence West 20 rods;

Thence South 20 rods to the Point of Beginning.

EXCEPTING THEREFROM, the following described tract:

Loan No. 195678

Hawker Ranches

72299827.1 0053564-00076

Exhibit A-2

Beginning at the Southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 32:
Thence East 10 rods;
Thence North 20 rods;
Thence West 10 rods;
Thence South 20 rods to the Point of Beginning.

PARCEL NO. 6:

TOWNSHIP 13 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 2: SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 3: Lots 2, 3, 4, S $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$

Section 4: Lot 1

PARCEL NO. 7:

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 8: SE $\frac{1}{4}$, LESS the following described property:

Beginning at the Northwest corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 8;
Thence East to a point 2 rods East of Warm Springs;
Thence South 4 rods;
Thence West to the road on the West line of said property;
Thence North to the Point of Beginning.

Section 17: NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

PARCEL NO. 8:

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 16: E $\frac{1}{2}$, EXCEPT the South 50 feet and E $\frac{1}{2}$ W $\frac{1}{2}$, EXCEPT the South 50 feet

PARCEL NO. 9:

A 50 foot right of way for ingress and egress for the benefit of Parcel No. 8 as created by Warranty Deed executed by Donald K. Bedke and Susan Bedke, Husband and Wife, to Robert H. Manning and Deanne Manning, Husband and Wife, dated March 14, 2000 and recorded March 15, 2000 as Instrument No. 268005, records of Cassia County, Idaho, across the following described parcel:

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Loan No. 195678

Hawker Ranches

72299827.1 0053564-00076

Exhibit A-3

Section 16: North 50 feet of the NW¼NW¼

PARCEL NO. 10:

TOWNSHIP 14 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 16: W¼W¼, EXCEPT South 50 feet

PARCEL NO. 11:

A Perpetual rights-of-way for the construction and maintenance of a ditch or ditches, with the right of ingress and egress for the benefit of Parcel Nos. 2 and 5 as contained in Well Construction and Operating Agreement between Jesse R. Bedke and Marguerite Bedke, husband and wife; and M. Roy Steel and Iona Steel, husband and wife, dated September 29, 1961 and recorded October 6, 1961 as Instrument No. 3678 on Film No. 9, records of Cassia County, Idaho.

PARCEL NO. 12:

Reciprocal Easements for the purpose of ingress and egress to the pond and to the pipeline for repairs and maintenance for the benefit of Parcel Nos. 1 and 2 as contained in Terms and Conditions contained in Pond, Ditch, Pipeline And Easement Agreement between Donald K. Bedke and Susan Bedke, husband and wife, Marguerite H. Robinson (formerly Bedke), a widow, Bruce Bedke and Martha J. Bedke, husband and wife, and John Firth and Carolyn Firth, husband and wife, dated March 11, 1988 and recorded October 30, 1990 as Instrument No. 210262 on Film No. 220, records of Cassia County, Idaho.

ASSIGNED TO: Steve Manning and Heidi Manning, husband and wife by an Assignment from Donald K. Bedke and Susan Bedke, husband and wife, dated March 14, 2000 and recorded March 15, 2000 as Instrument No. 268003, records of Cassia County, Idaho.

**EXHIBIT B
TO
MORTGAGE**

Irrigation Equipment

All wells (including domestic), underground pipelines, filter stations, emitters, drip, overhead and micro-sprinkler systems and equipment, any and all well permits, and the following equipment:

Section Location	Equipment Description
32	7 tower Valley pivot with end gun and low pressure drops
5	3 tower Valley pivot
5	4 tower Valley pivot

**EXHIBIT C
TO
MORTGAGE**

Water Rights

Decree #	Priority Date	Source	CFS	Acres
45-682	12/31/1879	Mill Creek	0.80	83
45-544	12/31/1879	Mill and Summit Creek	0.96	66
45-13605	4/1/1987	Mill and Summit Creek	0.29	66
45-590B	12/31/1879	Summit Creek	0.54	66
45-591	5/1/1883	Mill and Summit Creek	0.42	66
45-13604	4/1/1987	Mill and Summit Creek	0.26	66
45-592	05/01/1882	Spring Sinks	0.01	--
45-629	12/31/1941	Basin Creek	0.04	--
45-682	12/31/1879	Mill Creek	0.8	83
45-11020	04/01/1879	Blue Hill Creek and Unnamed Stream	0.02	--

- That certain Well Construction and Operating Agreement dated September 29, 1961, recorded October 6, 1961 as Instrument No. 3678 on Film No. 9, records of Cassia County, Idaho.
- That certain Joint Use, Operation and Maintenance Agreement dated July 12, 1983, recorded July 20, 1983 as Instrument No. 153544 on Film No. 158, records of Cassia County, Idaho.
- That certain Pond, Ditch, Pipeline and Easement Agreement dated March 11, 1988, recorded October 30, 1990 as Instrument No. 210262 on Film No. 220, records of Cassia County, Idaho.