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Form 42-248(6) 2/14

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Security Interest in a Water Right

and a request to be notified of a change in ownership or any proposed or final action to amend, transfer, or otherwise modify the water right(s)

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

1.

Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.	Water Right/Claim No.
61-277	61-2034	61-7244	61-12016
61-278	61-2092	61-7273	
61-279	61-2225	61-7561	
61-359	61-2236C	61-7727	
61-360	61-2236D	61-12014	

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

   Columbia State Bank, Attn: Loan Operations
   Loan Operations Annex
   2228 South 78th Street, MS 6100
   Tacoma, WA 98409
   Phone 253-305-1900
   Email loanoperations@columbiabank.com

4. Name of Water Right Owner/Claimant(s) — Carl F. Reynolds & Sons, LLC

5. Expiration Date of Notification Period — November 29, 2026

6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO

7. Signature(s) of Security Interest Holder(s)
   Title, if applicable — Asst. Vice President

For Office Use Only

Receipted by LE Date 01/19/2022 Receipt No. W050064 Fee $400.00

Processed by AJ _____ Date _____ WR DM Date 2-2-23

SUPPORT DATA
IN FILE # 61-277

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Instrument # 495559 # Pages: 23
ELMORE COUNTY, Idaho
Nov 15, 2021 2:55:56 pm Fee: $ 76.00
For: GUARANTY TITLE INC
SHELLEY ESSL, Recorder
JKENNEDY, Deputy

AFTER RECORDING RETURN TO:

Columbia State Bank
Loan Operations Annex
2228 South 78th Street, MS 6100
Tacoma, Washington 98409
Attn: Loan Operations

MORTGAGE, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, AND SECURITY AGREEMENT ("**Mortgage**") is made this 2nd day of November 2021, by Mortgagor, **CARL F. REYNOLDS & SONS, LLC**, an Idaho limited liability company (collectively, "**Mortgagor**"), whose mailing address is 395 North 3rd East Street, Mountain Home, Idaho 83647, in favor of **COLUMBIA STATE BANK,** a Washington state chartered banking corporation ("**Lender**"), whose mailing address is Loan Operations Annex, 2228 South 78th Street, MS 6100, Tacoma, Washington 98409, Attn: Loan Operations.

For purposes of Article 9 of the Idaho Uniform Commercial Code (Idaho Code §28-9), this Mortgage constitutes a Security Agreement with the Mortgagor being the Debtor and the Lender being the Secured Party. This Mortgage also constitutes a Financing Statement filed as a fixture filing pursuant to Article 9 of the Uniform Commercial Code (Idaho Code §28-9-502(6)).

In consideration of the Loan described below, Mortgagor hereby irrevocably MORTGAGES, GRANTS, TRANSFERS, CONVEYS and ASSIGNS to Lender, all of Mortgagor's present and future estate, right, title, claim, and interest, either in law or in equity, in and to the following property ("**Property**"):

(a) The real property described on Exhibit A, all rights to the alleys, streets and roads adjoining or abutting the real property, all easements, access, air and development rights, minerals and oil, gas and other hydrocarbon substances, water, water rights and water stock, and all other rights, hereditaments, privileges, and appurtenances now or hereafter belonging or in any way appertaining to such real property ("**Land**") including, without limitation, the water rights described on the attached Exhibit B.

(b) All buildings, improvements and tenements now or hereafter located on the Land ("**Improvements**"), including without limitation all fixtures and articles of property attached to, or used or adapted for use in the ownership, development, operation or maintenance of the Land and Improvements (whether such items are leased, owned, or subject to any title-retaining or security instrument); all heating, cooling, air-conditioning, ventilating, refrigerating, plumbing, generating, power, lighting, laundry, maintenance, incinerating, lifting, cleaning, fire prevention and extinguishing, security and access control, cooking, gas, electric and communication fixtures, equipment and apparatus; all engines, motors, conduits, pipes, pumps, tanks, ducts, compressors, boilers, water heaters and furnaces; all ranges, stoves, disposers, refrigerators and other appliances; all escalators and elevators, baths, sinks, all cabinets, partitions, mantels, built-in mirrors, window shades, blinds,

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JUN 21 2023

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screens, awnings, storm doors, windows and sash; all carpeting, underpadding, floor covering, paneling, and draperies; all furnishings of public spaces, halls and lobbies; and all shrubbery and plants. All such items shall be deemed part of the Land and not severable wholly or in part without material injury to the freehold.

(c) All of the present and future rents, revenues, issues, profits and income of the Land and Improvements, and all present and future leases, easements, and other agreements for the occupancy or use of all or any part of the Land and Improvements, including without limitation all cash or security deposits, advance rentals and deposits or payments of similar nature, and all guarantees of tenants' or occupants' performance under such leases and agreements.

(d) All tangible and intangible personal property now or hereafter used or acquired in connection with the ownership, development, operation or maintenance of the Land and Improvements, including without limitation all furniture, furnishings, equipment, supplies, inventory and other goods, wherever located, whether in the possession of Mortgagor, warehousemen, bailee, or any other person; all site plans, plats, architectural plans, specifications, work drawings, surveys, engineering reports, test borings, market surveys, and other similar work products; all permits, licenses, franchises, and trade names; all contract rights (including without limitation architectural, construction, engineering, consulting, and management contracts and performance, payment, completion, and other surety bonds); and all claims, causes of action, warranties, accounts receivable, escrow accounts, insurance policies, deposits, instruments, documents of title, general intangibles, and business records.

(e) All products and/or proceeds of the foregoing.

TO SECURE THE FOLLOWING ("**Secured Obligations**"):

(1) Performance and Payment. The performance of the obligations and payment of all amounts contained herein and in that certain Business Loan Agreement which has been executed and delivered by Bennett Creek Farms, an Idaho general partnership ("**Borrower**") concurrently herewith (the "**Loan Agreement**"), and any extensions, modifications, supplements and consolidations thereof, and the payment of Seven Million, One Hundred Three Thousand, Three Hundred and No/100ths Dollars ($7,103,300.00), with interest thereon, according to the terms of a Promissory Note of even date herewith made by Borrower, payable to Lender or order, and any and all extensions, renewals, modifications, or replacements thereof, whether the same be in greater or lesser amounts (the "**Note**"); and

(2) Future Advances. The repayment of any and all sums disbursed or advanced or expenditures made by Lender subsequent to the execution of this Mortgage (i) for the maintenance or preservation of the Property (including, without limitation, payment of taxes, special assessments, utilities, and insurance on the Property), (ii) pursuant to any provision of this Mortgage and/or the Loan Agreement (including, without limitation, for the enforcement of the Note, this Mortgage, and Loan Agreement and any remedies hereunder), in each case, together with interest thereon; and

(3) Swap Obligations. The payment or repayment and/or performance of any and all debts, obligations and liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of Borrower to Lender now or hereafter owing under any Swap Contract (as hereinafter defined) now or hereafter executed in connection with the loan evidenced by the Note. "**Swap Contract**" means any agreement between Grantor and Grantee or any affiliate of Grantee now existing or hereafter entered into, which provides for and interest rate swap, cap, floor, collar, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging Grantor's exposure to fluctuations in interest rates. "**Swap Transaction**" means any interest rate swap transaction, forward rate transaction, or any combination of the foregoing transactions, or options to enter into any of the foregoing transactions, including, without limitation, any interest rate option, swap, cap, floor, or collar transaction or similar interest rate management transaction.

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As used herein, the term "**Loan Documents**" means the Note, the Loan Agreement of even date the "**Loan Agreement**"), this Mortgage, a Mortgage, Assignment of Rents and Leases and Security Agreement of even date herewith by Borrower, all related documents and instruments, including (i) the guaranties of Mortgagor, Jason M. Reynolds, Rachel L. Reynolds, Jeanette M. Reynolds, Steven T. Reynolds, Reynolds AG Transport L.L.C., an Idaho limited liability company (each a "**Guarantor**" and collectively, the "**Guarantors**") under those certain Unconditional Guaranties executed in connection with the loan secured hereby (each a "**Guaranty**" and collectively, the "**Guaranties**") and (ii) the indemnity agreements of Borrower, Mortgagor, and the Guarantors under those certain Certificate and Indemnity Agreements Regarding Hazardous Substances executed in connection with the loan secured hereby (collectively, the "**Environmental Indemnity Agreements**"), and any and all modifications, extensions, renewals and replacements thereof. The Secured Obligations may be indexed, adjusted, renewed or renegotiated.

MORTGAGOR HEREBY REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I
TITLE AND USE

1.1 Warranty of Title. Mortgagor covenants and agrees that: (i) Mortgagor is lawfully seized of the estate hereby conveyed and has full right and power to grant, convey and assign the Property, (ii) the Property is free from liens, encumbrances, exceptions and other charges of any kind whatsoever, except for the permitted exceptions ("**Permitted Exceptions**") listed on the title insurance policy issued to Lender insuring the priority of this Mortgage, (iii) no other liens or encumbrances, whether superior or inferior to this Mortgage, shall be created or suffered to be created by Mortgagor without the prior written consent of Lender, (iv) no default on the part of Mortgagor or any other person exists under any of the Permitted Exceptions and all of the Permitted Exceptions are in full force and effect and in good standing, without modification, (v) complete and current copies of the Permitted Exceptions have been furnished to Lender, and none of them have been or will be modified by Mortgagor without Lender's prior written consent, (vi) Mortgagor shall fully comply with all the terms of the Permitted Exceptions and shall deliver to Lender a copy of all notices delivered in connection with the Permitted Exceptions, (vii) Lender has the right to contact the other parties to the Permitted Exceptions to confirm the status thereof, and Mortgagor shall, from time to time, at the request of Lender, request of such parties a certificate confirming such information regarding the Permitted Exceptions as Lender may request, and (viii) Mortgagor shall forever warrant and defend the Property unto Lender against all claims and demands of any other person whatsoever, subject only to non-delinquent taxes and assessments and the Permitted Exceptions.

1.2 Hazardous Substances.

(a) **Representations and Warranties**. Mortgagor represents and warrants to Lender, to the best of its knowledge after due inquiry and inspection, that (i) no asbestos has ever been used in the construction, repair or maintenance of any Improvements; (ii) no Hazardous Substance is currently being generated, processed, stored, transported, handled or disposed of, on, under or in the Property, except in accordance with all applicable laws, (iii) neither Mortgagor nor any other person or entity has ever caused or permitted any Hazardous Substance to be generated, processed, stored, transported, handled or disposed of on or under the Property, except in compliance with all applicable laws, (iv) there is no actual or alleged violation with respect to the Property of any federal, state or local statute, ordinance, rule, regulation or other law relating to Hazardous Substances, and (v) there is no action or proceeding pending or threatened before or appealable from any court, quasi- judicial body or administrative agency relating to Hazardous Substances affecting or alleged to be affecting the Property.

(b) **Covenant**. Mortgagor covenants and agrees that Hazardous Substances shall not be generated, processed, stored, transported, handled or disposed of on the Property by any person or entity, except in accordance with all applicable laws.

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JUN 21 2023

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JAN 19 2023
WATER RESOURCES
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(c) **Definition**. For purposes of this Mortgage, "**Hazardous Substance**" means any hazardous or toxic substances, materials or wastes, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes which are or become regulated under any applicable local, state or federal law including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) mold, (iv) poly-chlorinated biphenyls, (v) defined as a "hazardous waste" under Idaho Code §39-4403 (Hazardous Waste Management) or any other similar terms under any other applicable state laws, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq. (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, et seq. (42 U.S.C. §9601), all as amended, replaced or succeeded, and any other substance or matter defined as a toxic or hazardous substance or material or pollutant or contaminant under any other federal, state or local laws, ordinances or regulations or under any reported decision of a state or federal court, or any substance or matter imposing liability for clean-up costs or expenses on any person or entity under any statutory or common law theory.

(d) **Notification; Cleanup**. Mortgagor shall immediately notify Lender if Mortgagor becomes aware of (i) any Hazardous Substance problem or liability with respect to the Property, (ii) any actual or alleged violation with respect to the Property of any federal, state or local statute, ordinance, rule, regulation or other law relating to Hazardous Substances, or (iii) any lien or action with respect to any of the foregoing. Mortgagor shall, at its sole expense, take all actions as may be necessary or advisable for the cleanup of Hazardous Substances with respect to the Property, including without limitation, all removal, containment and remedial actions in accordance with all applicable laws and in all events in a manner satisfactory to Lender, and shall further pay or cause to be paid all cleanup, administrative and enforcement costs of governmental agencies if obligated to do so by contract or by law.

(e) **Right of Entry**. Lender is hereby authorized to enter the Property, including the interior of any structure, at reasonable times, and after reasonable notice, for the purpose of inspecting the Property to determine Mortgagor's compliance with this paragraph.

(f) **Representation – No Limits**. All of the representations, warranties, covenants, rights, and remedies in this Section shall be in addition to and not limit any representations, warranties, covenants, rights, and/or remedies in any Environmental Indemnity Agreements. Notwithstanding anything to the contrary set forth herein or in any other document which has been executed in connection with the loan secured hereby, the representations, warranties, covenants, rights, and remedies in this Section shall survive the repayment of the Note and satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

ARTICLE II
MORTGAGOR'S COVENANTS

2.1 Payment and Performance of Secured Obligations. Mortgagor shall pay when due all sums which are now or which may become owing under this Mortgage.

2.2 Payment of Taxes, Utilities, Liens and Charges.

(a) **Taxes and Assessments**. Except as the same may otherwise be paid under Article III, Mortgagor shall pay when due directly to the payee thereof all taxes and assessments (including without limitation,

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JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

non-governmental levies or assessments such as maintenance charges, owner association dues or charges, or fees, levies or charges resulting from covenants, conditions or restrictions) levied, assessed or charged against or with respect to the Property or this Mortgage. Upon request, Mortgagor shall promptly furnish to Lender all notices of amounts due under this subparagraph and all receipts evidencing such payments.

(b) **Utilities**. Mortgagor shall pay when due all utility charges and assessments for services furnished the Property.

(c) **Labor and Materials**. Mortgagor shall pay when due the claims of all persons supplying labor or materials to or in connection with the Property.

(d) **Liens and Charges**. Mortgagor shall promptly discharge any lien, encumbrance, or other charge, whether superior or inferior to this Mortgage, which may be claimed against the Property; provided that Mortgagor shall have the right to contest the amount or validity in whole or in part of any lien, encumbrance or other charge against the Property by appropriate proceedings conducted in good faith and with due diligence, in which event Mortgagor, upon prior written notice to Lender, may postpone or defer payment of such lien, encumbrance or other charge so long as (i) such proceedings shall operate to prevent the collection of the lien, encumbrance or other charge; (ii) neither the Property nor any part thereof will, by reason of such postponement or deferment, be in danger of being forfeited or lost; and (iii) Mortgagor, before the date such lien, encumbrance or other charge becomes delinquent, gives such reasonable security as may be requested by Lender to ensure payment thereof and prevent any forfeiture or loss of the Property or any part thereof.

(e) **Taxes, Assessments and Other Charges Imposed on Lender**. If, at any time after the date of this Mortgage, any law is enacted or changed (including any interpretation thereof) which subjects Lender to any increase in any tax (except federal income taxes), assessment, or other charge, in any form measured by or based on any portion of the indebtedness secured by this Mortgage, Mortgagor shall pay such increased amount to Lender on demand; provided that if any such payment would be unlawful, Lender may declare all accrued interest and the entire principal balance of the Note immediately due and payable.

2.3 Insurance.

(a) **Coverages Required**. Mortgagor will keep the following insurance coverages in effect with respect to the Property by an insurance company chosen by Mortgagor, subject to Lender's approval of the insurance company which approval will not be unreasonably withheld:

(i) Insurance against loss by fire, vandalism, malicious mischief and such other hazards as may now or hereafter be embraced by the standard "all risk" or "special form" policy of insurance, in an amount equal at all times to the current replacement value of all improvements then located on the Property. All such insurance coverage shall (1) contain a "replacement cost endorsement", without deduction for depreciation, (2) if Lender deems applicable, "law and ordinance" coverage and (3) if Lender deems applicable, equipment breakdown coverage. All such insurance coverage and endorsements shall contain a deductible of not more than Ten Thousand Dollars ($10,000) per occurrence.

(ii) Flood risk insurance in the maximum amount of insurance coverage available or the full replacement cost of all improvements on the Property, whichever is less, if the Property is now or hereafter designated as being located within a special flood hazard area under the Flood Disaster Protection Act of 1973, as previously or hereafter amended, and if flood insurance is available.

(iii) Loss of rental value insurance and/or business interruption insurance, as follows: If all or any portion of the Property is rented or leased (including via any sublease), loss of rental value insurance in an amount equal to six (6) months' aggregate gross rents from the Property as is so occupied. If all or any portion of

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JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

the Property is occupied by Mortgagor, business interruption insurance in an amount equal to six (6) months' net income from such portion of the Property as is so occupied. The amount(s) of such coverage(s) shall be subject to adjustment, from time to time at Lender's request, to reflect changes in the rental and/or income levels during the term of the Loan.

(iv) Commercial general public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Property (including coverage for elevators and escalators, if any, on the Property), with the coverage being in an amount of not less than Two Million Dollars ($2,000,000) combined single-limit liability coverage per occurrence, or in such greater amount(s) as Lender may reasonably require. All such insurance coverage shall contain a deductible of not more than Ten Thousand Dollars ($10,000) per occurrence.

(v) Insurance (excluding, however, earthquake insurance, if permitted to be excluded in Lender's sole discretion) against such similar or other hazards, casualties, liabilities and contingencies, in such forms and amounts, as Lender may from time to time reasonably require.

(b) **Policies**. Each insurance policy will be in form and content reasonably acceptable to Lender, and will be issued by a company reasonably acceptable to Lender, which company shall, among other things, be (i) duly authorized to provide such insurance in the state in which the Property is located, and (ii) rated "A" or better with a size rating of "VIII" or larger by A.M. Best Company in its most recent publication of ratings (provided, however, that if A.M. Best Company changes its designations, the basis for its ratings or ceases to provide ratings, Lender shall be entitled to select replacement ratings in the exercise of its reasonable business judgment). Each hazard insurance policy will include a Form 438BFU or equivalent mortgagee endorsement in favor of and in form acceptable to Lender, and which endorsement provides that the policy to which it relates will survive foreclosure of this Mortgage. Each liability insurance policy will name Lender as an additional assured. An "agreed amount endorsement" will be included in any policy containing a co-insurance clause, and Mortgagor agrees that any and all co-insurance clauses and "agreed amount endorsements" must be satisfactory to Lender. If any required property insurance coverage is furnished as part of a "blanket policy," either the blanket policy will include an "agreed value endorsement" or "agreed amount endorsement," or Mortgagor will furnish to Lender a copy of the insurer's "statement of value" for the Property. All required policies will provide for at least thirty (30) days' written notice to Lender prior to the effective date of any cancellation or material amendment, which term shall include any reduction in the scope or limits of coverage. Mortgagor shall furnish to Lender (x) the complete original of each required insurance policy, or (y) a certified copy thereof (including all declaration pages, policy forms and endorsements), which shall include an original signature of an authorized officer or agent of the insurer, or (z) an uncertified memorandum copy thereof (including all declaration pages, policy forms and endorsements), together with an original evidence of insurance or certificate of insurance setting forth the coverage, the limits of liability, the carrier, the policy number and the expiration date. As security for the indebtedness secured by this Mortgage, Mortgagor hereby assigns to Lender all required insurance policies, together with all monies and proceeds thereof, rights thereto and all unearned premiums returnable upon cancellation (all such assigned items constituting part of the "Property" for purposes of this Mortgage).

(c) **Payment; Renewals**. Mortgagor shall promptly furnish to Lender all renewal notices relating to insurance policies. Except as the same may otherwise be paid as otherwise allowed hereunder, Mortgagor will pay all premiums on insurance policies directly to the carrier. At least thirty (30) days prior to the expiration date of each such policy, Mortgagor shall furnish to Lender a renewal policy in a form acceptable to Lender, together with evidence that the renewal premium has been paid.

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JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

(d) **Insurance Proceeds.**

(i) In the event of any loss, Mortgagor will give prompt written notice thereof to the insurance carrier and Lender. Mortgagor hereby grants Lender a power of attorney, which power of attorney is coupled with an interest and is irrevocable, to make proof of loss, to adjust and compromise any claim, to commence, appear in and prosecute, in Lender's or Mortgagor's name, any action relating to any claim, and to collect and receive insurance proceeds; provided, however, that Lender shall have no obligation to do so. If no Event of Default has occurred and is continuing, the immediately preceding sentence shall apply except that Lender shall not be entitled to act as Mortgagor's attorney-in-fact and Mortgagor shall be entitled to participate jointly with Lender in adjusting and compromising any claim, and appearing in any proceeding.

(ii) Lender shall apply any insurance proceeds received hereunder first to the payment of the costs and expenses incurred in the collection of the proceeds and shall then apply the balance (the "Net Proceeds"), in its absolute discretion and without regard to the adequacy of its security, to:

(A) The payment of indebtedness secured hereby, whether then due and payable or not. Any such application of proceeds to principal on the Note shall be without the imposition of any prepayment fee otherwise payable under the Note, but shall not extend or postpone the due dates of the installment payments under the Note, or change the amounts thereof; or

(B) The reimbursement of Mortgagor, under Lender's prescribed disbursement control procedures, for the cost of restoration or repair of the Property. No insurance proceeds at any time assigned to or held by Lender shall be deemed to be held in trust, and Lender may commingle such proceeds with its general assets and shall not be liable for the payment of any interest thereof. Lender shall in no case be obligated to see to the proper application of any amount paid over to Mortgagor. Lender may, at its option, condition the reimbursement on Lender's approval of the plans and specifications of the reconstruction, contractor's cost estimates, construction budgets and schedules, architects' certificates, waivers of liens, sworn statements of mechanics and materialmen, and such other evidence of costs, percentage completion of construction, application of payments and satisfaction of liens as Lender may reasonably require.

(iii) Notwithstanding the provisions of Subsection 2.3(d)(ii) above, Lender agrees that the Net Proceeds from a loss described in this Subsection 2.3 will be made available under Subsection 5.5(d)(ii)(B) above to reimburse Mortgagor for the cost of restoration or repair of the Property, provided that each of the following conditions is satisfied:

(A) No Event of Default has occurred and is continuing at the time the proceeds are received;

(B) The Net Proceeds are less than the indebtedness then secured by this Mortgage;

(C) The proceeds are received more than one (1) year prior to the maturity date of the Note, including any acceleration of the maturity date by Lender;

(D) Mortgagor gives Lender written notice within thirty (30) days after the proceeds are received that it intends to restore or repair the Property and requests that the Net Proceeds be made available therefor, and Mortgagor thereafter promptly commences the restoration or repair and completes the same with reasonable diligence in accordance with plans and specifications approved by Lender, which approval shall not be unreasonably withheld;

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JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

(E) The Net Proceeds are sufficient, in Lender's reasonable business judgment, to restore or repair the Property substantially to its condition prior to the damage or destruction or, if in Lender's reasonable business judgment they are not, Mortgagor deposits with Lender funds in an amount equal to the deficiency, which funds Lender may, at its option, require be expended prior to use of the Net Proceeds; and

(F) Lender receives evidence reasonably satisfactory to Lender that the Property can lawfully be restored or repaired to its condition prior to the damage or destruction and that, upon completion of the restoration or repair, the Property can be operated substantially as it was before and will produce substantially as much income from tenant leases and all other sources as it did before the damage or destruction.

(iv) Except to the extent, if any, that insurance proceeds are applied to payment of the indebtedness secured hereby, nothing herein contained shall be deemed to excuse Mortgagor from restoring, repairing or maintaining the Property as provided herein, regardless of whether there are insurance proceeds available or whether any such proceeds are sufficient in amount. Mortgagor shall be responsible for any uninsured losses and any deductibles.

(v) If the Property is sold pursuant hereto or if Lender otherwise acquires title to the Property, Lender shall have all of the right, title and interest of Mortgagor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

2.4 Preservation and Maintenance of Property; Right of Entry.

(a) **Preservation and Maintenance**. Mortgagor shall (i) not commit or suffer any waste or permit any impairment or deterioration of the Property, (ii) not abandon the Property, (iii) restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (iv) keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon, in good condition and repair and shall replace fixtures, equipment, machinery and appliances of the Property when necessary to keep such items in good condition and repair, and (v) generally operate and maintain the Property in a commercially reasonable manner.

(b) **Alterations**. None of the Improvements shall be structurally altered, removed or demolished, in whole or in part, without Lender's prior written consent, nor shall any fixture or chattel covered by this Mortgage and adapted to the use and enjoyment of the Property be removed at any time without like consent unless actually replaced by an article of equal suitability which is owned by Mortgagor free and clear of any lien or security interest.

(c) **Right of Entry**. Lender is hereby authorized to enter the Property, including the interior of any structures, at reasonable times and after reasonable notice, for the purpose of inspecting the Property to determine Mortgagor's compliance herewith.

2.5 Use of Property. Mortgagor shall comply with all laws, ordinances, regulations and requirements of any governmental body, and all other covenants, conditions and restrictions applicable to the Property, and pay all fees and charges in connection therewith. Unless required by applicable law or unless Lender has otherwise agreed in writing, Mortgagor shall not allow changes in the use for which all or any part of the Property was intended at the time this Mortgage was executed. Mortgagor shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

SCANNED
JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

2.6 Condemnation.

(a) **Proceedings**. Mortgagor shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking (including without limitation any change in the grade of the Property), whether direct or indirect, of the Property or part thereof or interest therein, and Mortgagor shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Mortgagor authorizes Lender, at Lender's option, as attorney-in-fact for Mortgagor, to commence, appear in and prosecute, in Lender's or Mortgagor's name, any action or proceeding relating to any such condemnation or other taking, and to settle or compromise any claim in connection with such condemnation or other taking. All awards, payments, damages, direct, consequential and otherwise, claims, and proceeds thereof, in connection with any such condemnation or other taking, or for conveyances in lieu of condemnation, are hereby assigned to Lender, and all proceeds of any such awards, payments, damages or claims shall be paid to Lender.

(b) **Application of Condemnation Proceeds**. Lender shall apply any such proceeds in the manner and upon the terms and conditions set forth in Section 2.3 relating to the application of insurance proceeds.

2.7 Protection of Lender's Security. Mortgagor shall give notice to Lender of and shall appear in and defend any action or proceeding that may affect the Property, the interests of Lender therein, or the rights or remedies of Lender under the Loan Documents. If any such action or proceeding is commenced, or Mortgagor fails to perform any of the Secured Obligations, Lender may, at its option, make any appearances, disburse any sums, make any entries upon the Property, and take any actions as may be necessary or desirable to (i) protect or enforce the security of this Mortgage, (ii) remedy Mortgagor's failure to perform the Secured Obligations (without waiving such default by Mortgagor), or (iii) otherwise protect Lender's interests. Mortgagor shall pay all losses, damages, fees, costs, and expenses incurred by Lender in taking such actions; including without limitation reasonable legal fees.

2.8 Reimbursement of Lender's Expenses. All amounts disbursed by Lender pursuant to Section 2.7 or any other provision of this Mortgage, with interest thereon, shall constitute a Secured Obligation. All such amounts shall be immediately due and payable and bear interest from the date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

2.9 Books and Records. Mortgagor shall keep and maintain at Mortgagor's address stated above, or such other place as Lender may approve in writing, books of account and records adequate to correctly reflect the results of operation of the Property and copies of all written contracts, leases and other documents affecting the Property. Such books, records, contracts, leases and other documents shall be subject to examination, inspection and copying at any reasonable time by Lender. Mortgagor shall furnish to Lender, within twenty (20) days after Lender's request therefor, the following documents, each certified to Lender by Mortgagor as being true, correct and complete: (i) copies of all leases and other agreements for occupancy or use of all or any portion of the Property, (ii) a rent roll for the Property, showing the name of each tenant, and for each tenant, the suite occupied, the number of square feet rented, the lease expiration date, the rent payable, the date through which rent has been paid, the amount of any security deposit, and the number and term of any renewal options, (iii) copies of the most recent real and personal property tax statements for the Property, and (iv) copies of the most recent statements for the insurance coverages maintained pursuant to this Mortgage.

ARTICLE III
RESERVES

3.1 Deposits. If required by Lender, Mortgagor shall, at the time Borrower makes a monthly installment payment under the Note, deposit with Lender a sum, as estimated by Lender, equal to (i) the taxes and special assessments next due on the Property, and (ii) the premiums that will next become due on insurance policies as may be required under this Mortgage, less all sums already deposited therefor, divided by the number of months

SCANNED
JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

to elapse before two (2) months prior to the date when such taxes, special assessments and premiums will become delinquent. Lender may require Mortgagor to deposit with Lender, in advance, such other sums for other taxes, assessments, premiums, charges and impositions in connection with Mortgagor or the Property as Lender reasonably deems necessary to protect Lender's interests ("**Other Impositions**"). Such sums for Other Impositions shall be deposited in a lump sum or in periodic installments, at Lender's option. If required by Lender, Mortgagor shall promptly deliver to Lender all bills and notices with respect to any taxes, assessments, premiums and Other Impositions. Unless Mortgagor and Lender otherwise agree in writing, Lender shall not be required to pay Mortgagor any interest, earnings or profits on any sums deposited with Lender. All sums deposited with Lender under this Section 3.1 are hereby pledged as security for the Secured Obligations.

3.2 Application of Deposits. All such deposited sums shall be held by Lender and applied in such order as Lender elects to pay such taxes, assessments, premiums and Other Impositions or, upon any Event of Default, may be applied in whole or in part, to the Secured Obligations. The arrangement provided for in this Article III is solely for the added protection of Lender and entails no responsibility on Lender's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon any assignment of this Mortgage by Lender, any funds on hand shall be turned over to the assignee and any responsibility of Lender with respect thereto shall terminate. Each transfer of the Property in accordance with Article IV below shall automatically transfer to the transferee all rights of Mortgagor with respect to any funds deposited hereunder. Upon payment in full of the Secured Obligations, Lender shall promptly refund to Mortgagor the remaining balance of any deposits then held by Lender.

3.3 Adjustments to Deposits. If the total deposits held by Lender exceed the amount deemed necessary by Lender in its sole discretion to provide for the payment of such taxes, assessments, premiums and Other Impositions, such excess shall, provided there is no Event of Default or any event which would constitute an Event of Default if not cured within the time allowed, be credited by Lender on the next due installment or installments of such deposits. If at any time the total deposits held by Lender are less than the amount deemed necessary by Lender to provide for the payment of such taxes, assessments, premiums and Other Impositions, Mortgagor shall promptly deposit the deficiency with Lender after receipt of written demand from Lender.

3.4 Conditional Waiver. Notwithstanding the foregoing, Lender shall not require the payment of reserves as provided in this Article until a delinquency occurs in the payment of such taxes, assessments, premium and Other Impositions, or until the occurrence of an Event of Default.

ARTICLE IV
RESTRICTIONS ON TRANSFER OR ENCUMBRANCE

Neither the Property nor any part thereof or interest therein shall be encumbered, sold (by contract or otherwise), conveyed, leased (except as provided in Article VI), or otherwise transferred by Mortgagor; nor shall there be any change in (i) the ownership or control of any of Mortgagor's stock if Mortgagor is a corporation, (ii) the ownership or control of any general partnership interest in Mortgagor if Mortgagor is a partnership, (iii) the ownership or control of any beneficial interests in Mortgagor if Mortgagor is not otherwise a natural person or persons, and (iv) the ownership or control of any stock, any general partnership interest, or any other beneficial interest in any corporation, partnership or other entity that has an ownership interest in Mortgagor. Any such action without Lender's prior written consent shall be deemed to increase the risk of Lender, and shall constitute an Event of Default if not corrected within five (5) days after Lender's delivery of written demand to Mortgagor. Lender may, in its sole discretion, consent to any such action subject to such terms and conditions as Lender may require.

SCANNED
JUN 21 2023

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JAN 19 2023
WATER RESOURCES
WESTERN REGION

ARTICLE V
UNIFORM COMMERCIAL CODE SECURITY AGREEMENT

5.1 Grant to Lender. This Mortgage constitutes a security agreement pursuant to the Uniform Commercial Code with respect to:

(a) Any of the Property which, under applicable law, is not real property or effectively made part of the real property by the provisions of this Mortgage; and

(b) Any and all other property now or hereafter described on any Uniform Commercial Code Financing Statement naming Mortgagor as Debtor and Lender as Secured Party and affecting property in any way connected with the use and enjoyment of the Property (any and all such other property constituting "Property" for purposes of this Mortgage);

and Mortgagor hereby grants Lender a security interest in all property described in clauses (a) and (b) above as security for the Secured Obligations. Mortgagor and Lender agree, however, that neither the foregoing grant of a security interest nor the filing of any such financing statement shall be construed as limiting the parties' stated intention that everything used in connection with the production of income from the Property, or adapted for use therein, or which is described or reflected in this Mortgage, is and at all times shall be regarded as part of the Land.

5.2 Lender's Rights and Remedies. With respect to the property subject to the foregoing security interest, Lender shall have all of the rights and remedies (i) of a secured party under the Uniform Commercial Code, (ii) provided herein, including without limitation the right to cause such Property to be sold in accordance with the Uniform Commercial Code, and (iii) provided by law. In exercising its remedies, Lender may proceed against the items of real property and any items of personal property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies. Upon demand by Lender following an Event of Default hereunder, Mortgagor shall assemble any items of personal property and make them available to Lender at the Property. Lender shall give Mortgagor at least five (5) days' prior written notice of the time and place of any public sale or other disposition of such Property or of the time of or after which any private sale or any other intended disposition is to be made. Any person permitted by law to purchase at any such sale may do so. Such Property may be sold at any one or more public or private sales as permitted by applicable law.

ARTICLE VI
ASSIGNMENT OF RENTS AND LEASES

6.1 Assignment of Rents and Leases. As part of the consideration for the Secured Obligations, and not as additional security therefor, Mortgagor hereby absolutely and unconditionally assigns and transfers to Lender all right, title and interest of Mortgagor in and to: (a) any and all present and future leases, subleases, easements, and other agreements for the occupancy or use of all or any part of the Property, and any and all extensions, renewals and replacements thereof (collectively, "**Leases**"); (b) all cash or security deposits, advance rentals and deposits of a similar nature under the Leases; (c) any and all guarantees of tenants' or occupants' performances under any and all Leases, and (d) all rents, issues, profits and revenues ("**Rents**") now due or which may become due or to which Mortgagor may now or shall hereafter become entitled or may demand or claim (including Rents coming due during any redemption period), arising or issuing from or out of any and all Leases, including without limitation minimum, additional, percentage and deficiency rents and liquidated damages.

6.2 Collection of Rents. Prior to any Event of Default hereunder, Mortgagor shall have a license to, and shall, collect and receive all Rents of the Property as trustee for the benefit of Lender and Mortgagor, apply the Rents so collected first to the payment of taxes, assessments and other charges on the Property prior to delinquency, second to the cost of insurance, maintenance and repairs required by the terms of this Mortgage, third to the costs of

SCANNED
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

discharging any obligation or liability of Mortgagor under the Leases, and fourth to the Secured Obligations, with the balance, if any, to the account of Mortgagor provided there is no Event of Default. Upon delivery of written notice by Lender to Mortgagor of an Event of Default hereunder and stating that Lender exercises its rights to the Rents, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all Rents from the Property as the same become due and payable, including without limitation Rents then due and unpaid, and all such Rents shall immediately upon delivery of such notice be held by Mortgagor as trustee for the benefit of Lender only. Upon delivery of such written notice by Lender, Mortgagor hereby agrees to direct each tenant or occupant of the Property to pay all Rents to Lender on Lender's written demand therefor, without any liability on the part of said tenant or occupant to inquire further as to the existence of a default by Mortgagor. Mortgagor hereby authorizes Lender as Mortgagor's attorney-in-fact to make such direction to tenants and occupants upon Mortgagor's failure to do so as required herein. Payments made to Lender by tenants or occupants shall, as to such tenants and occupants, be in discharge of the payors' obligations to Mortgagor. Lender may exercise, in Lender's or Mortgagor's name, all rights and remedies available to Mortgagor with respect to collection of Rents. Nothing herein contained shall be construed as obligating Lender to perform any of Mortgagor's obligations under any of the Leases.

6.3 Mortgagor's Representations and Warranties. Mortgagor hereby represents and warrants to Lender that Mortgagor has not executed and will not execute any other assignment of said Leases or Rents, that Mortgagor has not performed and will not perform any acts and has not executed and will not execute any instrument which would prevent Lender from exercising its rights under this Article VI, and that at the time of execution of this Mortgage there has been no anticipation or prepayment of any of the Rents of the Property for more than one (1) month prior to the due dates thereof. Mortgagor further represents and warrants to Lender that all existing Leases are in good standing and there is no default thereunder, whether by Mortgagor or lessee, and that, to Mortgagor's knowledge, there is no event or condition which, with notice or the passage of time or both, would be a default thereunder. Mortgagor shall execute and deliver to Lender such further assignments of rents and leases of the Property as Lender may from time to time request.

6.4 Leases of the Property. Mortgagor shall comply with and observe Mortgagor's obligations as landlord under all Leases and will do all that is necessary to preserve all Leases in force and free from any right of counterclaim, defense or set on. At Lender's request, Mortgagor shall furnish Lender with executed copies of all Leases now existing or hereafter made and all Leases hereafter entered into shall use a form previously approved by Lender. All commercial Leases and tenants shall be subject to Lender's prior written approval, and shall specifically provide that the tenant attorns to any person succeeding to the interest of Mortgagor upon any foreclosure of this Mortgage or conveyance in lieu thereof. Such attornment shall be in such form as Lender may approve and shall provide that Tenant shall not have the right of set off or defense to payment of rents for any event or act that occurred prior to such successor obtaining title to Mortgagor's interest except to the extent such event or act is continuing at the time such successor obtains such title. Tenant shall also agree to execute such further evidence of attornment as Lender may from time to time request. Without Lender's written consent, Mortgagor shall not (i) collect or accept payment of any Rents more than one (1) month prior to the due dates thereof; (ii) modify, surrender or terminate any commercial Lease; (iii) waive, discharge, release or modify the obligations of any tenant or other occupant of the Property under any commercial Lease; or (iv) request or consent to the subordination of any commercial Lease to any lien subordinate to this Mortgage.

6.5 Lender in Possession; Appointment of Receiver. Upon any Event of Default hereunder, Lender may, in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof in the same manner and to the same extent as Mortgagor could do the same, including without limitation the execution, enforcement, cancellation and modification of Leases, the collection of all Rents of the Property, the removal and eviction of tenants and other occupants, the making of alterations and repairs to the Property, and the execution and termination of contracts providing for management or maintenance of

SCANNED
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

the Property, all on such terms as are deemed best by Lender to protect the security of this Mortgage. From and after the occurrence of any such Event of Default, if any owner of the Property shall occupy the Property or part thereof such owner shall pay to Lender in advance on the first day of each month a reasonable rental for the space so occupied, and upon failure so to do Lender shall be entitled to remove such owner from the Property by any appropriate action or proceedings. Following an Event of Default hereunder, Lender shall be entitled (regardless of the adequacy of Lender's security) to the appointment of a receiver, Mortgagor hereby consenting to the appointment of such receiver. Said receiver may serve without bond and may be Lender or an employee of Lender. The receiver shall have, in addition to all the rights and powers customarily given to and exercised by such receivers, all the rights and powers granted to Lender in this Article VI. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

6.6 Application of Rents. All Rents collected subsequent to delivery of written notice by Lender to Mortgagor of an Event of Default hereunder shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the Rents, including without limitation attorneys' fees, receiver's fees, premiums on receiver's bonds, costs of maintenance and repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Mortgagor under the Leases, and then to other Secured Obligations. Lender or the receiver shall be liable to account only for those Rents actually received. Lender shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Property by reason of anything done or left undone by Lender under this Article.

6.7 Deficiencies. To the extent, if any, that the costs of taking control of and managing the Property, collecting the Rents, and discharging obligations and liabilities of Mortgagor under the Leases, exceed the Rents of the Property, the excess sums expended for such purposes, plus interest, shall constitute a Secured Obligation. Such excess sums shall be payable upon demand by Lender and shall bear interest from the date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

6.8 Lender Not Mortgagee in Possession. Nothing herein shall constitute Lender a "mortgagee in possession" prior to its actual entry upon and taking possession of the Property. Entry upon and taking possession by a receiver shall not constitute possession by Lender.

6.9 Enforcement. Lender may enforce this assignment without first resorting to or exhausting any security or collateral for the Secured Obligations.

ARTICLE VII
EVENTS OF DEFAULT

7.1 Events of Default. The occurrence of any one or more of the following shall constitute an event of default ("**Event of Default**") under this Mortgage.

(a) Failure to Make Payment. Any failure by Borrower to make any payment of principal or interest or any other payment when due under the Note or any other Loan Document, or by Mortgagor to make any payment when due under this Mortgage.

(b) Event of Default under Loan Documents. The occurrence of any Event of Default under the Note, this Mortgage, the other Loan Documents, or any other agreement or security agreement executed in connection with this Note.

(c) False or Misleading Statements. Any representation or warranty made by Mortgagor, Borrower or any Guarantor to Lender in any of the Loan Documents or any financial statement delivered to Lender proves to have been false in any material respect as of the time when made or given, including at the time of any

SCANNED
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

disbursement of Loan proceeds, whether or not that representation or disclosure is expressly set forth in the Loan Documents.

(d) Material Adverse Change. A material adverse change in Borrower's, Mortgagor's or any Guarantor's business financial condition, or the Property has occurred, or is imminent, or if any event that materially increases Lender's risk or materially impairs the Collateral (in Lender's reasonable discretion) occurs, or Lender otherwise has deemed itself insecure based on a good faith belief that Borrower or Mortgagor is unable or will soon be unable to perform its duties under the Loan Documents and Borrower or Mortgagor has not cured the default after fifteen (15) days written notice to cure from Lender stating the specific nature of the default.

(e) Insolvency or Liquidation. If a receiver, trustee, liquidator or custodian is or will be appointed for Borrower or Mortgagor, if Borrower or Mortgagor has or will make a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due, or will file, or have filed against it, any petition under federal bankruptcy law or under any other state or federal law providing for the relief of debtors, or the commencement of any other proceeding under any bankruptcy or insolvency or similar laws by or against Borrower, Mortgagor or any Guarantor if the resulting proceeding is not discharged within forty-five (45) days after filing.

(f) Default on Unrelated Debt; Suspension of Business. If Borrower or Mortgagor materially defaults under a provision of an agreement with a third party, Borrower or Mortgagor voluntarily suspends transaction of its business, does not generally pay debts as they become due or mature, or if the indebtedness under such an agreement is accelerated and in Lender's reasonable judgment, such event jeopardizes or could reasonably be expected to jeopardize repayment of the Loan and Borrower or Mortgagor has not cured the default after ten (10) days written notice to cure from Lender stating the specific nature of the default.

(g) Judgment or Attachments. If there is entered against Borrower, Mortgagor or any Guarantor a judgment that materially affects Borrower's or Mortgagor's business, financial condition, or the Property, or if a tax lien, levy, writ of attachment, garnishment, execution, judicial seizure of any property, or similar item is or will be issued against the Collateral or which materially affects Borrower's or Mortgagor's business, financial condition, or the Property, and which remains unpaid, unstayed on appeal, undischarged, unbonded, or undismissed for sixty (60) days after it was issued.

(h) Insecurity; Collateral Impairment. Lender has a good faith belief that Borrower, Mortgagor or any Guarantor is unable or will soon be unable to perform that party's duties under this Agreement or the Loan Documents or that Borrower's or Mortgagor's rights in the Collateral are or will soon be impaired or that the Collateral itself is or will soon be impaired and Borrower or Mortgagor has not cured the default after ten (10) days written notice to cure from Lender stating the specific nature of the default.

(i) Death. A Guarantor dies or has a guardian or conservator appointed for his or her estate, unless within forty five (45) days after such death or appointment (i) the personal representative of the deceased's estate, acting on behalf of the estate, ratifies and affirms the obligations of such Guarantor under the applicable Guaranty and the other Loan Documents; or (ii) a substitute for such person acceptable to Lender in its sole and absolute discretion, agrees to assume and perform the obligations of such person in connection with the Loan.

(j) Dissolution or Termination. The dissolution or termination of Borrower or Borrower's business or if Borrower's business ceases to exist (for which there shall be no cure period).

(k) Change in Control. If Borrower or Borrower's business is sold or merged without Lender's prior written consent (for which there shall be no cure period).

SCANNED -
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

(l) Termination of Agreements. If Borrower, Mortgagor or any Guarantor terminates or attempts to terminate any instrument with or in favor of Lender that was entered into or delivered in connection with the Loan (for which there shall be no cure period).

7.2 Inapplicability of Cure Periods. All cure periods provided in this Mortgage or the other Loan Documents shall be inapplicable if, in Lender's reasonable judgment, the default is not capable of being cured within the time allowed, or a delay in Lender's enforcement of its rights and remedies may result in a material impairment of its security.

7.3 Form of Notice. At Lender's option, any written notice of default given to Mortgagor under Section 7.1 may be given in the form of such notice permitted under Idaho law.

ARTICLE VIII
REMEDIES

8.1 Acceleration Upon Default; Additional Remedies. Upon any Event of Default, Lender may, at its option and without notice to or demand upon Mortgagor, exercise any one or more of the following actions:

(a) Declare all the Secured Obligations immediately due and payable.

(b) Bring a court action to enforce the provisions of this Mortgage or any of the other Loan Documents.

(c) Foreclose this Mortgage.

(d) Elect to exercise its rights with respect to the Leases and the Rents.

(e) Exercise any or all of the other rights and remedies under this Mortgage and the other Loan Documents.

(f) Exercise any other right or remedy available under law or in equity.

8.2 Application of Sale Proceeds. The proceeds of any foreclosure sale under this Mortgage shall be applied in the following priority:

(a) Payment of the costs and expenses of the sale; including without limitation legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances at the lesser of the default rate under the Note, or the maximum rate permitted by law.

(b) Payment of all sums expended by Lender under the terms of this Mortgage and not yet repaid, together with interest on such sums from date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

(c) Payment of all other Secured Obligations in any order that the Lender chooses.

(d) The remainder, if any, to the person or persons legally entitled to it.

8.3 Waiver of Order of Sale and Marshalling. Lender shall have the right to determine the order in which any or all portions of the Secured Obligations are satisfied from the proceeds realized upon the exercise of any remedies provided herein. Mortgagor, any party who consents to this Mortgage and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof, hereby waives any and all right to require marshalling of assets in connection with the exercise of any of the remedies permitted by

SCANNED
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

applicable law or provided herein, or to direct the order in which any of the Property will be sold in the event of any sale under this Mortgage.

8.4 Non-Waiver of Defaults. The entering upon and taking possession of the Property, the collection of Rents or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the Property, and the application or release thereof as herein provided, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

8.5 Expenses During Redemption Period. If this Mortgage is foreclosed and the Property sold at a foreclosure sale, the Purchaser may during any redemption period allowed, make such repairs or alterations on the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditure at the lesser of the default rate under the Note, or the maximum rate permitted by law, shall be added to and become a part of the amount required to be paid for redemption from such sale.

8.6 Foreclosure Subject to Tenancies. Lender shall have the right at its option to foreclose this Mortgage subject to the rights of any tenant or tenants of the Property.

8.7 Remedies Cumulative. To the extent permitted by law, every right and remedy provided in this Mortgage is distinct and cumulative to all other rights or remedies under this Mortgage or afforded by law or equity or any other agreement between Lender and Borrower or Lender and Mortgagor, and may be exercised concurrently, independently or successively, in any order whatsoever. Lender may exercise any of its rights and remedies at its option without regard to the adequacy of its security.

8.8 Lender's Expenses. Mortgagor shall pay all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any suit is filed, including without limitation legal fees and disbursements, foreclosure costs and title charges. All such sums, with interest thereon, shall be additional indebtedness secured by this Mortgage. Such sums shall be immediately due and payable and shall bear interest from the date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

ARTICLE IX
GENERAL

9.1 No Offset. Borrower's and Mortgagor's obligation to timely pay and perform all obligations under the Note, this Mortgage, and the other Loan Documents shall be absolute and unconditional and shall not be affected by any event or circumstance; including without limitation any setoff, counterclaim, abatement, suspension, recoupment, deduction, defense or any other right that Borrower, Mortgagor or any Guarantor may have or claim against Lender or any other person or entity. The foregoing shall not constitute a waiver of any claim or demand which Borrower, Mortgagor or any Guarantor may have in damages or otherwise against Lender or any other person or entity; provided that Mortgagor shall maintain a separate action thereon.

9.2 Application of Payments. Except as applicable law or this Mortgage may otherwise provide, all payments received by Lender under the Note or this Mortgage shall be applied by Lender in the following order of priority: (a) Lender's expenses incurred in any efforts to enforce any terms of this Mortgage; (b) interest payable on advances made to protect the security of this Mortgage; (c) principal of such advances; (d) amounts payable to Lender by Mortgagor under Article III for reserves; (e) interest and late charges payable on the Note; (f) principal of the Note; and (g) any other Secured Obligations in such order as Lender, at its option, may determine; provided, however, that Lender may, at its option, apply any such payments received to interest on or principal of the Note prior to applying such payments to interest on and principal of advances made to protect the security of this Mortgage.

SCANNED
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

9.3 **Release**. Upon payment of all Secured Obligations, Lender shall release this Mortgage.

9.4 **Lender's Powers**. Without affecting the liability of any person for payment or performance of the Secured Obligations or any of Lender's rights or remedies, Lender, at its option, may extend the time for payment of the Secured Obligations or any part thereof, reduce payment thereon, release anyone liable thereon, accept a renewal note or notes therefor, modify the terms and time of payment thereof, release the lien of this Mortgage on any part of the Property, take or release other or additional security, release or reconvey or cause to be released or reconveyed all or any part of the Property, or consent to the making of any map or plat of the Property, consent to the granting of any easement or creating any restriction on the Property, or join in any subordination or other agreement affecting this Mortgage or the lien or charge hereof. Mortgagor shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred at Lender's option, for any such action if taken at Mortgagor's request.

9.5 **Subrogation**. Lender shall be subrogated for further security to the lien, although released of record, of any and all encumbrances discharged, in whole or in part, by the proceeds of the Note or any other indebtedness secured hereby.

9.6 **Limitation on Interest and Charges**. The interest, fees and charges under the Loan Documents shall not exceed the maximum amounts permitted by any applicable law. If any such interest, fee or charge exceeds the maximum, the interest, fee or charge shall be reduced by the excess and any excess amounts already collected from Mortgagor shall be refunded. Lender may refund such excess either by treating the excess as a prepayment of principal under the Note or by making a direct payment to Mortgagor. If Lender elects to treat the excess as a prepayment of principal, Mortgagor shall not be obligated to pay any prepayment premium required under the Note. The provisions of this section shall control over any inconsistent provision in the Loan Documents.

9.7 **Additional Documents; Power of Attorney**. Mortgagor, from time to time, shall execute, acknowledge and deliver to Lender upon request, and hereby irrevocably appoints Lender its attorney-in-fact to execute, acknowledge, deliver and if appropriate file and record, such security agreements, assignments for security purposes, assignments absolute, financing statements, affidavits, certificates and other documents, in form and substance satisfactory to Lender, as Lender may request in order to perfect, preserve, continue, extend in time or maintain the assignments herein contained, the lien and security interest under this Mortgage, and the priority thereof. Mortgagor shall pay to Lender upon request therefor all costs and expenses incurred in connection with the preparation, execution, recording and filing of any such document.

9.8 **Waiver of Statute of Limitations**. To the full extent Mortgagor may do so, Mortgagor hereby waives the right to assert any statute of limitations as a defense to the enforcement of the lien of this Mortgage or to any action brought to enforce the Note or any other obligation secured by this Mortgage.

9.9 **Forbearance by Lender Not a Waiver**. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy, and no waiver by Lender of any particular default shall constitute a waiver of any other default or of any similar default in the future. Without limiting the generality of the foregoing, the acceptance by Lender of payment of any of the Secured Obligations after the due date thereof shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage, nor shall Lender's receipt of any awards, proceeds or damages under Sections 2.3 and 2.6 hereof operate to cure or waive Mortgagor's or Borrower's default in payment of the Secured Obligations.

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9.10 Modifications and Waivers. This Mortgage cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

9.11 Notice. Any notice to Mortgagor under this Mortgage shall be to the address noted above or such other address as may be designated by Mortgagor in writing and shall be deemed to have been given on the date delivered in the case of personal delivery or, if mailed, three (3) days after the postmark thereof.

9.12 Governing Law; Severability; Captions. This Mortgage shall be governed by the laws of the State of Idaho. If any provision or clause of this Mortgage conflicts with applicable law, such conflicts shall not affect other provisions or clauses hereof which can be given effect without the conflicting provision, and to this end the provisions hereof are declared to be severable. The captions and headings of the sections and articles of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

9.13 Definitions. As used herein: the term "**Mortgagor**" means the Mortgagor herein named, together with any subsequent owner of the Property or any part thereof or interest therein; and the term "**Lender**" means the Lender herein named, together with any subsequent owner or holder of the Note or any interest therein, including pledgees, assignees and participants.

9.14 Successors and Assigns; Joint and Several Liability; Agents. This Mortgage shall bind and inure to the benefit of the parties hereto and their respective heirs, devisees, legatees, administrators, executors, successors and assigns, subject to the provisions of Article IV hereof. Each person executing this Mortgage as Mortgagor shall be jointly and severally liable for all obligations of Mortgagor hereunder. In exercising any rights hereunder or taking actions provided for herein, Lender may act through its employees, agents or independent contractors.

9.15 Number; Gender. This Mortgage shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

9.16 Time. Time is of the essence in connection with all obligations of Mortgagor herein.

9.17 Request for Notice. Mortgagor hereby requests that a copy of any notice of default and notice of sale hereunder be mailed to it at its address set forth at the beginning of this Mortgage.

9.18 Assignment of Loan Documents. Lender may assign the Loan Documents in whole or in part. Lender may make available to any proposed assignee or participant all credit and financial data with respect to Mortgagor and any Guarantor as may be in the possession of Lender. Mortgagor agrees to provide any additional information that any proposed assignee or participant may reasonably request.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first above written.

MORTGAGOR:

CARL F. REYNOLDS & SONS, LLC, an Idaho limited liability company

By: Steven T. Reynolds Manager
Name: Steven T. Reynolds
Title: Manager

By: Jason M Reynolds Manager
Name: Jason M. Reynolds
Title: Manager

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STATE OF IDAHO)
) ss.
COUNTY OF Elmore)

I certify that I know or have satisfactory evidence that Steven T. Reynolds is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Manager of CARL F. REYNOLDS & SONS, LLC,, a Idaho limited liability company, to the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: November 10, 2021.

SHERYL A. PEYMENT NOTARY PUBLIC MY COMMISSION EXPIRES 1-6-2024 STATE OF IDAHO COMMISSION NUMBER 21587

Sheryl A Reynolds
Name (typed or printed): Sheryl A Reyment
NOTARY PUBLIC in and for the State of Idaho
Residing at: Mountain Home
My appointment expires: 1-6-24

STATE OF IDAHO)
) ss.
COUNTY OF Elmore)

I certify that I know or have satisfactory evidence that Jason M. Reynolds is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Manager of CARL F. REYNOLDS & SONS, LLC,, a Idaho limited liability company, to the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: November 10, 2021.

SHERYL A. PEYMENT NOTARY PUBLIC STATE OF IDAHO

Sheryl A Reynolds
Name (typed or printed): Sheryl A Reyment
NOTARY PUBLIC in and for the State of Idaho
Residing at: Mountain Home
My appointment expires: 1-6-24

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EXHIBIT A
TO
MORTGAGE

Legal Description

Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho.

Section 22: E1/2SE1/4
Section 23: SE1/4SE1/4, SW1/4, W1/2SE1/4 SW1/4NE1/4,
Save and Except the following parcel of land:

A parcel of land being a portion of the SW1/4NE1/4 of Section 23, Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho, and being more particularly described as follows:
Commencing at the North 1/4 corner of said Section 23, marked by a found brass cap monument, from which the Center 1/4 corner of said Section 23, marked by a set 5/8 inch iron pin with an aluminum cap tagged PLS 11463, bears South 89°11'46" East, 2657.02 feet; Thence, along the East line of the NE1/4 of said Section 23, South 00°11'46" East, 1328.51 feet to the Center-North 1/16th corner of said Section 23, marked by a set 5/8 inch iron pin with an aluminum cap tagged PLS 11463, the Point of Beginning; Thence, along North line of the SW1/4NE1/4 of said Section 23,
South 89°21'07" East, 660.00 feet to a set 5/8 inch iron pin tagged PLS 11463; thence
South 00°11'46" East, 330.00 feet to a set 5/8 inch iron pin tagged PLS 11463; thence
North 89°21'07" West, 660.00 feet to the East line of the NE1/4 of said Section 23, marked by a set 5/8 inch iron pin tagged PLS 11463; Thence, along NE1/4 of said Section 23,
North 00°11'46" West, 330.00 feet to the Point of Beginning

Subject To: Any easements or reservations of record or in use on or across the above described parcel of land.

Section 24: SE1/4, S1/2SW1/4
Section 25: W1/2, SE1/4
Section 26: ALL
Section 27: E1/2
Section 34: E1/2, SW1/4

SAVE AND EXCEPT: A parcel of land in the NW1/4NE1/4, beginning at the North quarter corner of Section 34;
Thence South 54°44'50" East, 1282.55 feet to the Real Point of Beginning;
Thence North 44°44" East, 90 feet to a point;
Thence South 42°16' East, 70 feet to a point;
Thence South 44°44' West, 90 feet to a point;
Thence North 42°16' West, 70 feet to the Real Point of Beginning.

Section 35: ALL

Township 5 South, Range 8 East, Boise Meridian, Elmore County, Idaho.

Section 2: U.S. Government Lots 1, 2, 3, 4
Section 3: U.S. Government Lots 1, 2, 3, 4

SAVE AND EXCEPT: A parcel of land in the NW1/4NE1/4, Section 34, Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho, more particularly described as follows:

Beginning at the North quarter corner of said Section 34; Thence South 54°44'50" East, 1,282.55 feet to the Real Point of Beginning:
Thence North 44°44' East, 90 feet to a point;
Thence South 42°16' East, 70 feet to a point;
Thence South 44°44' West, 90 feet to a point;
Thence North 42°16' West, 70 feet to the Real Point of Beginning.

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PARCEL 2:

Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho.

Section 36: E1/2NW1/4, SW1/4NW1/4, SW1/4 and E1/2

Parcel No. RP 04S08E227210 A
Parcel No. RP 04S08E231230 A
Parcel No. RP 04S08E246610 A
Parcel No. RP 04S08E247200 A
Parcel No. RP 04S08E252420 A
Parcel No. RP 04S08E260020 A
Parcel No. RP 04S08E270010 A
Parcel No. RP 04S08E340010 A
Parcel No. RP 04S08E350010 A
Parcel No. RP 04S08E360010 A
Parcel No. RP 04S08E362400 A
Parcel No. RP 05S08E020010 A
Parcel No. RP 05S08E030010 A

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EXHIBIT B
TO
MORTGAGE

Water Rights

Type	Water Right Number	Suffix	Basis	Status	Priority Date	Div. Rate	Source	Water Use
WR	61-277		Decreed	Active	4/1/1879	3	BENNETT CREEK	IRRIGATION
WR	61-278		Decreed	Active	4/1/1882	2.8	BENNETT CREEK	IRRIGATION
WR	61-279		Decreed	Active	4/1/1885	2	BENNETT CREEK	IRRIGATION
WR	61-359		Decreed	Active	5/1/1886	0.2	BENNETT CREEK	IRRIGATION
WR	61-360		Decreed	Active	4/1/1886	0.4	BENNETT CREEK	IRRIGATION
WR	61-2034		Decreed	Active	8/9/1914	1.6	BENNETT CREEK	IRRIGATION
WR	61-2092		Decreed	Active	5/21/1952	4.5	BENNETT CREEK, WARM SPRINGS CREEK	IRRIGATION
WR	61-2225		Decreed	Active	4/7/1942		WARM SPRINGS CREEK	IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-2236	C	Decreed	Active	3/24/1965		HOT SPRING CREEK	IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-2236	D	Decreed	Active	3/24/1965	20	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7244		Decreed	Active	12/10/1975		BENNETT CREEK	IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7273		Decreed	Active	6/25/1976	100	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7561		License	Active	4/19/1984	50	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7727		License	Active	12/9/1996	4.9	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-12014		Decreed	Active	9/10/1975	0.04	GROUND WATER	DOMESTIC
WR	61-12016		Decreed	Active	9/6/1974	0.04	GROUND WATER	DOMESTIC

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STATE OF IDAHO

Lawerence Denney | Secretary of State
Business Office
450 North 4th Street
PO Box 83720
Boise, ID 83720

COLUMBIA STATE BANK
LOAN OPERATIONS ANNEX
2228 S 78TH ST/ MS 6100
TACOMA, WA 98409

November 29, 2021 4:48 PM

Lien Doc #:20212112377
DLN #: B0652-6821

Lien Acknowledgment

This acknowledges the filing of the attached Lien document. Please review the data to ensure database information corresponds with information on the submitted Lien form. In the event a discrepancy is found, please note the error and return the entire package to our office. If we may be of any further service to you, please contact us at the number noted below.

Lawerence Denney
Idaho Secretary of State

Enclosures: Original Documents

DEBTOR INFORMATION

Debtor Name:	CARL F. REYBOLDS & SONS, LLC
Debtor Address:	395 NORTH 3RD EAST STREET MOUNTAIN HOME, ID 83647

SECURED PARTY INFORMATION

Secured Party Name:	COLUMBIA STATE BANK
Secured Party Address:	2228 SOUTH 78TH STREET MS 6100 TACOMA, WA 98409

FILING INFORMATION

Lien Type:	UCC
Lien Doc #:	20212112377
Filing Date:	11/29/2021 1:23 PM
Lapse Date:	11/29/2026 11:59 PM

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JUN 21 2023

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER [optional]
Nina Hooser. Ph # 253.305.0561

B. E-MAIL CONTACT AT FILER [optional]
nhooser@columbiabank.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Columbia State Bank
Loan Operations Annex
2228 s. 78TH St./MS 6100
Tacoma, WA 98409

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME – Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
Carl F. Reybolds & Sons, LLC

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
395 North 3rd East Street	Mountain Home	ID	83647	USA

2. DEBTOR'S NAME – Provide only one debtor name (2a or 2b) (use exact, full name; do not omit, modify or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Columbia State Bank

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2228 South 78th Street, MS 6100	Tacoma	WA	98409	USA

4. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A, attached hereto.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ A Debtor is a Transmitting Utility

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA

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401 FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (OR REV. 06/14)

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Secured Party: Columbia State Bank
Debtor: Carl F. Reynolds & Sons, LLC

EXHIBIT A
TO
UCC FINANCING STATEMENT

All of Debtor's present and future estate, right, title, claim, and interest, either in law or in equity, in and to the following Property:

1. The real property described on below, all rights to the alleys, streets and roads adjoining or abutting the real property, all easements, access, air and development rights, minerals and oil, gas and other hydrocarbon substances, water, water rights and water stock, and all other rights, hereditaments, privileges, and appurtenances now or hereafter belonging or in any way appertaining to such real property ("**Land**") including, without limitation, the water rights described below.

2. All buildings, improvements and tenements now or hereafter located on the Land ("**Improvements**"), including without limitation all fixtures and articles of property attached to, or used or adapted for use in the ownership, development, operation or maintenance of the Land and Improvements (whether such items are leased, owned, or subject to any title-retaining or security instrument); all heating, cooling, air-conditioning, ventilating, refrigerating, plumbing, generating, power, lighting, laundry, maintenance, incinerating, lifting, cleaning, fire prevention and extinguishing, security and access control, cooking, gas, electric and communication fixtures, equipment and apparatus; all engines, motors, conduits, pipes, pumps, tanks, ducts, compressors, boilers, water heaters and furnaces; all ranges, stoves, disposers, refrigerators and other appliances; all escalators and elevators, baths, sinks, all cabinets, partitions, mantels, built-in mirrors, window shades, blinds, screens, awnings, storm doors, windows and sash; all carpeting, underpadding, floor covering, paneling, and draperies; all furnishings of public spaces, halls and lobbies; and all shrubbery and plants. All such items shall be deemed part of the Land and not severable wholly or in part without material injury to the freehold.

3. All of the present and future rents, revenues, issues, profits and income of the Land and Improvements, and all present and future leases, easements, and other agreements for the occupancy or use of all or any part of the Land and Improvements, including without limitation all cash or security deposits, advance rentals and deposits or payments of similar nature, and all guarantees of tenants' or occupants' performance under such leases and agreements.

4. All tangible and intangible personal property now or hereafter used or acquired in connection with the ownership, development, operation or maintenance of the Land and Improvements, including without limitation all furniture, furnishings, equipment, supplies, inventory and other goods, wherever located, whether in the possession of Mortgagor, warehousemen, bailee, or any other person; all site plans, plats, architectural plans, specifications, work drawings, surveys, engineering reports, test borings, market surveys, and other similar work products; all permits, licenses, franchises, and trade names; all contract rights (including without limitation architectural, construction, engineering, consulting, and management contracts and performance, payment, completion, and other surety bonds); and all claims, causes of action, warranties, accounts receivable, escrow accounts, insurance policies, deposits, instruments, documents of title, general intangibles, and business records.

5. All products and/or proceeds of the foregoing.

All of the property described in Paragraphs 1-5 herein shall be collectively referred to as the "Property."

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The real property referenced above is situated in the County of Elmore, State of Idaho and is legally described as follows:

Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho.

Section 22: E1/2SE1/4
Section 23: SE1/4SE1/4, SW1/4, W1/2SE1/4 SW1/4NE1/4,
Save and Except the following parcel of land:

A parcel of land being a portion of the SW1/4NE1/4 of Section 23, Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho, and being more particularly described as follows:
Commencing at the North 1/4 corner of said Section 23, marked by a found brass cap monument, from which the Center 1/4 corner of said Section 23, marked by a set 5/8 inch iron pin with an aluminum cap tagged PLS 11463, bears South 00°11'46" East, 2657.02 feet; Thence, along the East line of the NE1/4 of said Section 23, South 00°11'46" East, 1328.51 feet to the Center-North 1/16th corner of said Section 23, marked by a set 5/8 inch iron pin with an aluminum cap tagged PLS 11463, the Point of Beginning; Thence, along North line of the SW1/4NE1/4 of said Section 23,
South 89°21'07" East, 660.00 feet to a set 5/8 inch iron pin tagged PLS 11463; thence
South 00°11'46" East, 330.00 feet to a set 5/8 inch iron pin tagged PLS 11463; thence
North 89°21'07" West, 660.00 feet to the East line of the NE1/4 of said Section 23, marked by a set 5/8 inch iron pin tagged PLS 11463; Thence, along NE1/4 of said Section 23,
North 00°11'46" West, 330.00 feet to the Point of Beginning

Subject To: Any easements or reservations of record or in use on or across the above described parcel of land.

Section 24: SE1/4, S1/2SW1/4
Section 25: W1/2, SE1/4
Section 26: ALL
Section 27: E1/2
Section 34: E1/2, SW1/4

SAVE AND EXCEPT: A parcel of land in the NW1/4NE1/4, beginning at the North quarter corner of Section 34;
Thence South 54°44'50" East, 1282.55 feet to the Real Point of Beginning;
Thence North 44°44" East, 90 feet to a point;
Thence South 42°16' East, 70 feet to a point;
Thence South 44°44' West, 90 feet to a point;
Thence North 42°16' West, 70 feet to the Real Point of Beginning.

Section 35: ALL

Township 5 South, Range 8 East, Boise Meridian, Elmore County, Idaho.

Section 2: U.S. Government Lots 1, 2, 3, 4
Section 3: U.S. Government Lots 1, 2, 3, 4

SAVE AND EXCEPT: A parcel of land in the NW1/4NE1/4, Section 34, Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho, more particularly described as follows:

Beginning at the North quarter corner of said Section 34; Thence South 54°44'50" East, 1,282.55 feet to the Real Point of Beginning;
Thence North 44°44' East, 90 feet to a point;
Thence South 42°16' East, 70 feet to a point;
Thence South 44°44' West, 90 feet to a point;
Thence North 42°16' West, 70 feet to the Real Point of Beginning.

PARCEL 2:

Township 4 South, Range 8 East, Boise Meridian, Elmore County, Idaho.

Section 36: E1/2NW1/4, SW1/4NW1/4, SW1/4 and E1/2

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Parcel No. RP 04S08E227210 A
Parcel No. RP 04S08E231230 A
Parcel No. RP 04S08E246610 A
Parcel No. RP 04S08E247200 A
Parcel No. RP 04S08E252420 A
Parcel No. RP 04S08E260020 A
Parcel No. RP 04S08E270010 A
Parcel No. RP 04S08E340010 A
Parcel No. RP 04S08E350010 A
Parcel No. RP 04S08E360010 A
Parcel No. RP 04S08E362400 A
Parcel No. RP 05S08E020010 A
Parcel No. RP 05S08E030010 A
The Property includes the following water rights:

Type	Water Right Number	Suffix	Basis	Status	Priority Date	Div. Rate	Source	Water Use
WR	61-277		Decreed	Active	4/1/1879	3	BENNETT CREEK	IRRIGATION
WR	61-278		Decreed	Active	4/1/1882	2.8	BENNETT CREEK	IRRIGATION
WR	61-279		Decreed	Active	4/1/1885	2	BENNETT CREEK	IRRIGATION
WR	61-359		Decreed	Active	5/1/1886	0.2	BENNETT CREEK	IRRIGATION
WR	61-360		Decreed	Active	4/1/1886	0.4	BENNETT CREEK	IRRIGATION
WR	61-2034		Decreed	Active	8/9/1914	1.6	BENNETT CREEK	IRRIGATION
WR	61-2092		Decreed	Active	5/21/1952	4.5	BENNETT CREEK, WARM SPRINGS CREEK	IRRIGATION
WR	61-2225		Decreed	Active	4/7/1942		WARM SPRINGS CREEK	IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-2236	C	Decreed	Active	3/24/1965		HOT SPRING CREEK	IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-2236	D	Decreed	Active	3/24/1965	20	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7244		Decreed	Active	12/10/1975		BENNETT CREEK	IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7273		Decreed	Active	6/25/1976	100	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7561		License	Active	4/19/1984	50	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-7727		License	Active	12/9/1996	4.9	BENNETT CREEK	DIVERSION TO STORAGE, IRRIGATION FROM STORAGE, IRRIGATION STORAGE
WR	61-12014		Decreed	Active	9/10/1975	0.04	GROUND WATER	DOMESTIC
WR	61-12016		Decreed	Active	9/6/1974	0.04	GROUND WATER	DOMESTIC

B0652-6824 11/29/2021 1:23 PM Received by ID Secretary of State Lawrence Denney

SCANNED
JUN 21 2023

RECEIVED
JAN 19 2023
WATER RESOURCES
WESTERN REGION

STATE OF IDAHO
Lawerence Denney | Secretary of State
Fiscal Division
PO Box 83720
Boise, ID 83720

GUARANTY TITLE INC
206 SOUTH 3RD EAST STREET
MOUNTAIN HOME, ID 83647

11/29/2021

Receipt Detail

Receipt #: 577321
Receipt Total: $32.00

Item	Description	Check/Ref #	Image ID	Fee	#	Total
Manual Surcharge-UCC	MANUAL SURCHARGE			($20.00)	1	($20.00)
Lien Financing Stmt	Lien Financing Stmt	20212112377	B0652-6821	($12.00)	1	($12.00)
Payment-Check/MO	GUARANTY TITLE INC, MOUNTAIN HOME, ID 83647	38466	B0652-6820			$32.00

Balance: **$0.00**

SCANNED
JUN 21 2023

IDAHO DEPARTMENT OF
WATER RESOURCES

Western Region • 2735 W Airport Way • Boise, ID 83705-5082
Phone: 208-334-2190 • Fax: 208-334-2348 • Email: westerninfo@idwr.idaho.gov • Web: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

February 02, 2023

COLUMBIA STATE BANK
ATTN: LOAN OPERATIONS
2228 S 78TH ST MS 6100
TACOMA WA 98409-9050

RE: Notice of Security Interest for Water Right/Permit No(s): 61-277, 61-278, 61-279, 61-359, 61-360, 61-2034, 61-2092, 61-2225, 61-2236C, 61-2236D, 61-7244, 61-7273, 61-7561, 61-7727 61-12014, 61-12016

Dear Security Interest Holder:

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

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

If you have any questions concerning the enclosed information, please contact me at (208)605-4631.

Sincerely,

Debra Mansfield
Office Specialist II

Enclosure(s)

c: CARL F REYNOLDS & SONS LLC

SCANNED
JUN 21 2023