

RECEIVED

AUG 03 2022

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

JUN 06 2022

Department of Water Resources
Eastern Region**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)Completed
3/6/22
8

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.
A32-00007A			
A32-00008			
A32-10085			
A32-10083			
A32-10088			

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

Middle Creek Ranch, an Idaho partnership

2251 E 2350 N

Hamer, Idaho 83425

Attn: Sidney Brown

Phone 208.317.5497

Email jnbrown60@gmail.com

SUPPORT DATA
IN FILE 32-7A

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

Neilson Brothers Angus Ranch, L.L.C.

5. Expiration Date of Notification Period

March 1, 2037

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

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

Title, if applicable

Sidney Brown Title Holder
 David P. Leonardson Title Holder
 Harri Leonardson Title Holder

For Office Use Only

Received by JB

Date 6/6/2022

Receipt No.

E048215
E048216

Fee

\$62.50
\$62.50

Processed by AJ

Date

WR

Date

SCANNED

NOV 14 2022

FIRST AMERICAN TITLE
1037498-RI

Microfile No. 58922
11 Day May 22
At 03 O'Clock 26 M
Clark Co. Recorder Camille Messick
Fee \$45.00
TM Deputy
Recorded at Request of
First American Title - Rigby

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Parsons Behle & Latimer
Attn: Scott Eskelson
350 Memorial Drive, Suite 300
Idaho Falls, ID 83402

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

This Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Filing (this "**Mortgage**"), dated May 11, 2022, is made by Neilson Brothers Angus Ranch L.L.C., an Idaho limited liability company ("**Grantor**"), whose address is 910 Louisiana Street, Houston, Texas 77002, to Middle Creek Ranch, an Idaho partnership with Sidney Brown and Jan Brown, husband and wife, owning an undivided 50% interest and David P. Leonardson and Tarri L. Leonardson, husband and wife, owning an undivided 50% interest ("**Grantee**"), whose address is 2251 E 2350 N, Hamer, Idaho 83425.

1. Grant and Secured Obligations.

1.1 Grant. For the purpose of securing payment and performance of the Secured Obligations (as defined in Section 1.2 below), Grantor hereby irrevocably and unconditionally grants, mortgages, warrants, pledges, conveys, transfers and assigns to Grantee, and grants a security interest to Grantee, all estate, right, title and interest which Grantor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, together with the Fixtures (as defined in Section 3.1 below) is collectively referred to in this Mortgage as the "**Property**"):

(a) the real property located in Clark County, Idaho, as described in Exhibit A attached hereto (the "**Land**"), together with all existing and future easements and rights affording access to the Land; and

(b) all buildings, fixtures, structures, and improvements or every kind or nature now located or later to be constructed on the Land (the "**Improvements**"); all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or to be used in connection with the Land, buildings, structures, improvements or fixtures; all building materials and goods procured for use or in connection with the foregoing; and all additions, substitutions and replacements to any of the foregoing; and

A.F.B. DPL
JBS RL

FIRST AMERICAN TITLE

1037498-RI

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:Parsons Behle & Latimer
Attn: Scott Eskelson
350 Memorial Drive, Suite 300
Idaho Falls, ID 83402**E-RECORDED**

simplifile

ID: 58922
County: Clark
Date: 5-11-22 Time: 3:26**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING**

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A. F. B. DPL
JB R

(c) all existing and future appurtenances, privileges, rights, easements, servitudes, rights-of-way, and tenements of the Land, including all minerals, oil, gas, other hydrocarbons and any other commercially valuable substances which may be in, under or produced from any part of the Land, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant), and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements; and

(d) all agreements for the use, enjoyment or occupancy of the Land and/or Improvements now or hereafter entered into and all rents, income, revenues, issues and profits of or from the Land and/or the Improvements from time to time; and

(e) all proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, the Improvements or the other property described above into cash or liquidated claims, including proceeds of any insurance policies, present and future, payable because of loss sustained to all or any part of any Property, whether or not such insurance policies are required by Grantee, and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, the Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; and

(f) to the extent assignable, Grantor's interest in all claims, demands, judgments, insurance proceeds, tax refunds, rights of action, awards of damages, compensation, and settlements hereafter made resulting from or relating to (i) the taking of the Land or the Improvements or any part thereof under the power of eminent domain, (ii) any damage (whether caused by such taking, by casualty or otherwise) to the Land, Improvements or appurtenances or any part thereof, or (iii) the ownership or operation of the Property; and

(g) all additions and accretions to, substitutions, proceeds, renewals and replacements for, and changes in, any of the property described above; and

(h) all Leases (as hereinafter defined) heretofore or hereafter entered into whether before or after the filing by or against Grantor of any petition for relief under 11 U.S.C. §§ 101, et seq. (the "**Bankruptcy Code**"), as the same may be amended from time to time, and all right, title and interest of Grantor, its successors and assigns therein and thereunder, including Rents (as hereinafter defined) whether paid or accruing before or after the filing by or against Grantor of any petition for relief under the Bankruptcy Code and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Secured Obligations (as hereinafter defined); and

(i) all leasehold estate, right, title and interest of Grantor in and to all leases or subleases covering the Property or any portion thereof, now or hereafter existing or entered into, and all amendments and extensions of the same, and all right, title and interest of Grantor thereunder, including without limitation all cash or security deposits, advance rentals and deposits or payments of a similar nature; and

(j) the right, in the name and on behalf of Grantor, to commence any action or proceeding to protect the interest of Grantee in the Property and while an Event of Default remains uncured, to appear in and defend any action or proceeding brought with respect to the Property.

1.2 Secured Obligations. Grantor makes the grant, mortgage, warrant, pledge, conveyance, transfer and assignment set forth in Section 1.1 above, makes the irrevocable and absolute assignment set forth in Article 2 below, and grants the security interest set forth in Article 3 below, all for the purpose of securing the following obligations in any order of priority that Grantee may choose (collectively, the "**Secured Obligations**" and individually, each a "**Secured Obligation**");

(a) payment and performance of all obligations and indebtedness of Grantor, as set forth in that certain Secured Promissory Note by Grantor in favor of Grantee (as the same may be amended, restated, amended and restated, refinanced, supplemented, or otherwise modified from time to time, the "**Promissory Note**"); and

(b) payment and performance of all obligations of Grantor under this Mortgage; and

(c) payment and performance of all future advances and other obligations that Grantor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Grantee, when a writing evidences the parties' agreement that the advance or obligation be secured by this Mortgage; and

(d) payment and performance of all modifications, amendments, extensions, and renewals, however evidenced, of any of the Secured Obligations.

All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. These terms include any provisions which permit borrowing, repayment and reborrowing, or which provide that the interest rate on one or more of the Secured Obligations may vary from time to time.

2. Assignment of Lessor's Interest in Leases and Assignment of Rents.

2.1 Absolute Assignment. Grantor hereby irrevocably, absolutely, presently and unconditionally assigns to Grantee:

(a) all of Grantor's right, title and interest in, to and under any and all leases, licenses and other agreements of any kind relating to the use or occupancy of all or any portion of the Property, whether now in effect or entered into in the future (collectively, the "**Leases**" and individually, each a "**Lease**"), including (i) all guarantees of and security for lessees' performance under any and all Leases, and (ii) all amendments, extensions, renewals or modifications to any Leases; and

(b) all rents (and payments in lieu of rents), income, profit, payments and revenue at any time payable under any and all Leases, any and all security deposits received or to be received by Grantor pursuant to any and all Leases, and all rights and benefits accrued or to accrue to Grantor under any and all Leases (collectively "**Rents**").

2.2 Grant of License. Grantee hereby confers upon Grantor a license (the "**License**") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Section 6.1, exists and is continuing. If an Event of Default has occurred and is continuing, Grantee has the right, which it may choose to exercise in its reasonable discretion, to terminate the License without notice to or demand upon Grantor, and without regard to the adequacy of Grantee's security under this Mortgage.

2.3 Collection and Application of Rents. Subject to the License granted to Grantor under Section 2.2 above, Grantee has the right, power and authority to collect any and all Rents. Grantee's right to the Rents does not depend on whether or not Grantee takes possession of the Property as permitted under Section 6.2(c) below. In Grantee's reasonable discretion, it may choose to collect Rents either with or without taking possession of the Property. If an Event of Default occurs while Grantee is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Mortgage, Grantee, and any receiver is nevertheless entitled to exercise and invoke every right and remedy afforded any of them under this Mortgage and at law or in equity. This assignment is, and is intended to be, an unconditional, absolute and present assignment from Grantor to Grantee of all of Grantor's right, title and interest in and to the Rents and not an assignment in the nature of a pledge of the Rents or the mere grant of a security interest therein.

2.4 Notice. All lessees under any and all Leases are hereby irrevocably authorized and notified by Grantor to rely upon and to comply with (and are fully protected in so doing) any notice or demand by Grantee for the payment to Grantee of any rental or other sums which may at any time become due under the Leases, or for the performance of any of lessees' undertakings under the Leases, and lessees have no right or duty to inquire as to whether any Event of Default has actually occurred or is then existing hereunder.

2.5 Grantee Not Responsible. Regardless of whether or not Grantee, in person or by agent, takes actual possession of the Land and Improvements, Grantee is not and will not be deemed to be:

- (a) a "mortgagee in possession" for any purpose; or
- (b) responsible for performing any of the obligations of Grantor under any lease; or
- (c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or
- (d) liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

3. Grant of Security Interest.

3.1 Grant of Security Interest. Grantor grants to Grantee a security interest in, and pledges and assigns to Grantee, all of Grantor's right, title and interest now or hereafter acquired in and to all of the Rents, Leases and Property, including without limitation, all Fixtures. "**Fixtures**" include all articles of personal property now or hereafter attached to, placed upon for an indefinite term or used in connection with the Land and Improvements, appurtenances and improvements, together with all goods and other property which are or at any time become so related to the Property that an interest in them arises under real estate law.

3.2 Security Agreement; Fixture Filing. This Mortgage is both a real property mortgage and constitutes a security agreement covering all Fixtures and all portions of the Rents, Leases, and Property that are personal property under the Uniform Commercial Code and, as in effect from time to time or under the Uniform Commercial Code as in effect from time to time in any other state to the extent the same is applicable law (the "**Uniform Commercial Code**"). This Mortgage constitutes a fixture filing under the applicable Uniform Commercial Code, as amended or recodified from time to time, and covers property which includes goods which are or are to become fixtures on the Land and Improvements.

3.3 Financing Statements. Grantee may file one or more financing statements and such other documents as Grantee may from time to time require to perfect or continue the perfection of Grantee's security interest in the personal property and Fixtures. If any financing statement or other document is filed in the records normally pertaining to the security interest created under this Mortgage, that filing shall never be construed as in any way derogating from or impairing this Mortgage or the rights or obligations of the parties under it.

4. Rights and Duties of the Parties.

4.1 Performance of Secured Obligations. Grantor shall promptly pay and perform each Secured Obligation in accordance with its terms of the Promissory Note.

4.2 Taxes and Assessments. Grantor shall pay when due and prior to delinquency and before an interest, collections fees or penalties shall accrue, all taxes, levies, charges and assessments (individually and collectively, an "**Imposition**"), imposed by any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it. If any such Imposition becomes delinquent, Grantee may require Grantor to present evidence that they have been paid in full, on ten (10) days' written notice by Grantee to Grantor. Notwithstanding the foregoing provisions of this Section 4.2, Grantor may, at its expense, contest the validity or application of any Imposition by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Grantee is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Grantor has posted a bond or furnished such other security as may be reasonably required from time to time by Grantee, in each case, subject to and in accordance with, the terms and conditions set forth in the Promissory Note.

4.3 Liens, Charges and Encumbrances. Grantor shall pay when due each obligation secured by or reducible to a lien, charge or encumbrance which now does or later may encumber or appear to encumber all or part of the Property or any interest in it, whether the lien, charge or encumbrance is or would be senior or subordinate to this Mortgage.

4.4 Damages and Insurance and Condemnation Proceeds.

(a) Grantor hereby absolutely and irrevocably assigns to Grantee, and authorizes the payor to pay to Grantee, the following claims, causes of action, awards, payments and rights to payment ("**Claims Proceeds**"):

(i) all awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it; and

(ii) all other awards, claims and causes of action, arising out of any warranty affecting all or any part of the Property, or for damage or injury to or decrease in value of all or part of the Property or any interest in it; and

(iii) all proceeds of any insurance policies payable because of loss sustained to all or part of the Property; and

(iv) all interest which may accrue on any of the foregoing.

(b) Grantor shall immediately notify Grantee in writing if:

(i) any damage occurs or any injury or loss is sustained in the amount of fifty percent (50%) or more of the fair market value of the Property, or any action or proceeding relating to any such damage, injury or loss is commenced; or

(ii) any offer is made, or any action or proceeding is commenced, which relates to any actual or proposed condemnation or taking of all or part of the Property.

If Grantee chooses to do so, it may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Property, and it may make any compromise or settlement of the action or proceeding. Grantee, if it so chooses, may participate in any action or proceeding relating to condemnation or taking of all or part of the Property, and may join Grantor in adjusting any loss covered by insurance.

(c) All proceeds of these assigned claims, other property and rights which Grantor may receive or be entitled to shall be paid to Grantee. In each instance, Grantee shall apply those proceeds first toward reimbursement of all of Grantee's costs and expenses of recovering the proceeds, including attorneys' fees.

If, in any instance, each and all of the following conditions are satisfied in Grantee's reasonable judgment, Grantee shall allow Grantor to use the Claims Proceeds to pay costs of repairing or reconstructing the Property in the manner described below:

(i) the plans and specifications, cost breakdown, construction contract, construction schedule, contractor and (if required by Grantee) payment and performance bond for the work of repair or reconstruction shall all be acceptable to Grantee in its reasonable discretion; and

(ii) Grantee shall receive evidence satisfactory to it that after repair or reconstruction, the Property would be at least as valuable as it was immediately before the damage or condemnation occurred; and

(iii) the Claims Proceeds shall be sufficient in Grantee's reasonable determination to pay for the total cost of repair or reconstruction, including all associated development costs and interest projected to be payable on the Secured Obligations until the repair or reconstruction is complete; or Grantor shall provide its own funds in an amount equal to the difference between the Claims Proceeds (plus such undisbursed Loan proceeds) and a reasonable estimate, made by Grantor and found acceptable by Grantee, of the total cost of repair or reconstruction; and

(iv) no Event of Default has occurred and is continuing.

(d) If Grantee finds that the foregoing conditions are met, Grantee shall hold the Claims Proceeds and any funds which Grantor is required to provide in an interest-bearing account and shall disburse them to Grantor to either pay or reimburse costs of repair or reconstruction. However, if Grantee finds that one or more of the conditions set forth in subsection (c) above are not satisfied, it may apply the Claims Proceeds to pay or prepay (without premium) some or all of the Secured Obligations in such order and proportions as it in its reasonable discretion may choose.

4.5 Releases, Extensions, Modifications and Additional Security. From time to time, Grantee may perform any of the following acts without incurring any liability or giving notice to any person:

- (a) release any person liable for payment of any Secured Obligation;
- (b) extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;
- (c) accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; or
- (d) alter, substitute or release any property securing the Secured Obligations.

4.6 Release. If all of the Secured Obligations are paid as they become due and payable and all of the covenants, warranties, undertakings and agreements made in this Mortgage are kept and performed, and all obligations, if any, of Grantee for further advances have been terminated, then, and in that event only, all of Grantee's rights under this Mortgage automatically terminate and Grantee shall promptly cause this Mortgage to be released of record and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, and such liens and security interests shall be released by Grantee in due form.

4.7 Compensation, Exculpation, Indemnification. Grantor agrees to pay or reimburse Grantee for all actual, reasonable, out-of-pocket costs, expenses and other advances which may be incurred or made by Grantee in any efforts to enforce any terms of this Mortgage, including any rights or remedies afforded to Grantee under Section 6.2 below, whether any lawsuit is filed or not, including any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships, or in defending any action or proceeding arising under or relating to this Mortgage, including reasonable attorneys' fees, costs of any foreclosure sale and any cost of evidence of title. If Grantee chooses to dispose of Property through more than one foreclosure sale, Grantor shall pay all costs, expenses or other advances that may be incurred or made by Grantee in each of those foreclosure sales.

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

4.9 Required Insurance. Grantor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force with respect to the Property, at no expense to Grantee, policies of insurance.

4.10 Certain Waivers. All sums payable by Grantor pursuant to this Mortgage shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Grantor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Property or any part thereof; (ii) any restriction or prevention of or interference by any Person (as defined below) with any use of the Property or any part thereof; (iii) any title defect or encumbrance or any eviction from the Land or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Grantee, or any action taken with respect to this Mortgage by any trustee or receiver of Grantee, or by any court, in any such proceeding; (v) any claim that Grantor has or might have against Grantee; (vi) any default or failure on the part of Grantee to perform or comply with any of the terms of the Promissory Note; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Grantor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Grantor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Grantor. "**Person**" means any natural person, any unincorporated association, any corporation, any partnership, any joint venture, any trust, any other legal entity, or any governmental authority (federal, state, local or foreign).

5. Accelerating Transfers; Permitted Encumbrances.

5.1 Acceleration Upon Sale or Encumbrance. Grantor agrees that Grantor shall not, without the prior written consent of Grantee (which consent may be withheld in Grantee's reasonable discretion), make or permit, whether voluntarily or involuntarily by operation of law or otherwise, any Accelerating Transfer. Grantor acknowledges that the covenants contained in this Section 5.1 are a material inducement to Grantee extending the Secured Obligations. Grantor further acknowledges that any Accelerating Transfer in violation of the permitted transfer provisions in this Mortgage will result in a material impairment of Grantee's interest in the Property and is a breach of the foregoing covenant. If any Accelerating Transfer occurs, Grantee in its reasonable discretion may declare all of the Secured Obligations to be immediately due and payable and invoke any rights and remedies provided in Article 6 of this Mortgage.

5.2 Accelerating Transfers. "**Accelerating Transfer**" means any sale, contract to sell, conveyance, encumbrance, pledge, or mortgage not expressly permitted under the Promissory Note and/or this Mortgage, or other transfer of all or any material part of the Property or any interest in it, including any transfer or exercise of any right to drill for or to extract any water (other than for Grantor's own use), under the surface of the Property, whether voluntary, involuntary, by operation of law or otherwise.

6. Events of Default; Remedies.

6.1 Events of Default. The occurrence of any one or more of the following events, constitutes an "**Event of Default**" under this Mortgage:

(a) Grantor, or any affiliate of Grantor, fails to perform any obligation to pay money as required under this Mortgage, or the Promissory Note;

(b) Grantor makes or permits the occurrence of an Accelerating Transfer in violation of Article 5 above; or

(c) An "Event of Default" occurs as such term is defined in the Promissory Note;

6.2 Remedies. At any time after and during the existence of an Event of Default, Grantee is entitled to invoke any and all of the rights and remedies described below. All of such rights and remedies are cumulative, and the exercise of any one or more of them does not constitute an election of remedies.

(a) Acceleration. Grantee may declare any or all of the Secured Obligations to be due and payable immediately, without notice to Grantor and Grantee shall be entitled to all of the rights and remedies provided in the Promissory Note or at law or in equity.

(b) Receiver. Grantee, as a matter of right and without notice to Grantor or any one claiming under Grantor, and without regard to the then value of the Property or the interest of Grantor therein, has the right to apply to any court having jurisdiction, *ex parte* and without notice or hearing, such notice and being waived by Grantor, and without regard to the adequacy of its security or the solvency of the Grantor, to appoint a receiver or receivers of the Property, and Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor. Grantee has the right to the appointment of a receiver in the manner described in the immediately preceding sentence regardless of whether Grantee has commenced foreclosure of this Mortgage. Any receiver appointed pursuant to this Mortgage has all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Grantee in case of entry as provided in this Mortgage and has the right to continue in such capacity and exercise all such powers until such receivership is terminated. Grantor and Grantee intend that the preceding provisions be interpreted as a contractual agreement between them and supersede, to the extent permitted by law, any present or future law related to the appointment of receivers or the conduct of receiverships. Without limiting the generality of the preceding, in any proceeding to secure the appointment of a receiver, no factual showing beyond that described above shall be necessary to demonstrate the Grantee's entitlement to the appointment of a receiver and all factual issues in connection with such a proceeding shall be determined based on a preponderance of the evidence.

(c) Entry. Grantee or its officers or agents or a court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, may exclude Grantor and its agents and employees wholly therefrom, and may also do any and all other things in connection with those actions that Grantee may in its reasonable discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include, but not limited to: taking and possessing all of Grantor's or the then owner's books and records; entering into, enforcing, modifying, or canceling leases on such terms and conditions as Grantee may consider proper; obtaining and evicting tenants; fixing or modifying rents; collecting and receiving any payment of money owing to Grantor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Grantee so requests, Grantor will assemble all of the Property that has been removed from the Land and make all of it available to Grantee at the site of the Land.

(d) Cure; Protection of Security. Grantee may cure any breach or default of Grantor it considers necessary in its reasonable discretion to protect the security of this Mortgage. Such actions may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Grantee under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Grantee's reasonable judgment is or may be senior in priority to this Mortgage, such judgment of Grantee to be conclusive as among the parties to this Mortgage; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Grantee. Grantee may take any of the actions permitted under this Section 6.2 either with or without giving notice to any person.

(e) Uniform Commercial Code Remedies. Grantee may exercise any or all of the remedies granted to a secured party under the Uniform Commercial Code.

(f) Judicial Action. Grantee may bring an action in any court of competent jurisdiction to judicially foreclose this instrument or to obtain specific enforcement of any of the covenants or agreements of this Mortgage.

6.3 Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale shall be applied in the following manner:

(a) first, to pay the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Grantor is obligated to reimburse Grantee under this Mortgage, including, for the avoidance of doubt, the costs and expenses of any foreclosure sale;

(b) second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Grantee under the terms of this Mortgage which then remain unpaid;

(c) third, to pay all other Secured Obligations in any order and proportions as Grantee in its reasonable discretion may choose; and

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

6.4 Application of Rents and Other Sums. Grantee shall apply any and all Rents collected by it pursuant to the assignment provided in Article 2 of this Mortgage, and any and all other sums, other than the proceeds of a foreclosure sale, received or collected by Grantee, in the following manner:

(a) first, to pay the portion of the Secured Obligations attributable to the costs and expenses of collection of such sums, including reasonable attorneys' fees, that may be incurred by Grantee and/or any receiver appointed in accordance with this Mortgage;

(b) second, to pay any and all Secured Obligations in any order and proportions as Grantee in its reasonable discretion may choose, and any and all expenses of leasing, operating, maintaining and managing the Property and all other costs and charges incident to the Property as provided in Section 2.5 above, and in such order and proportions as Grantee in its reasonable discretion may choose; and

(c) third, to remit the remainder, if any, to the person or persons legally entitled thereto.

Grantee has no liability for any funds which it does not actually receive.

7. Miscellaneous Provisions.

7.1 No Waiver or Cure.

(a) Each waiver by Grantee must be in writing to be effective, and no waiver is to be construed as a continuing waiver. No waiver is to be implied from any delay or failure by Grantee to take action on account of any default of Grantor. Consent by Grantee to any act or omission by Grantor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Grantee's consent to be obtained in any future or other instance.

(b) If any of the events described below occurs, that event alone shall not: cure or waive any breach, Event of Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed); or impair the security of this Mortgage; or prejudice Grantee or any receiver in the exercise of any right or remedy afforded any of them under this Mortgage; or be construed as an affirmation by Grantee of any tenancy, lease or option, or a subordination of the lien of this Mortgage.

(i) Grantee, through a receiver, takes possession of all or any part of the Property in the manner provided in Subsection 6.2(c) above.

(ii) Grantee collects and applies Rents as permitted under Sections 2.3 and 6.4 above, either with or without taking possession of all or any part of the Property.

(iii) Grantee receives and applies to any Secured Obligation any proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Grantee under Section 4.5 above.

(iv) Grantee receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations.

(v) Grantee receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations.

(vi) Grantee or any receiver invokes any right or remedy provided under this Mortgage.

7.2 Powers of Grantee. If Grantee performs any act which it is empowered or authorized to perform under this Mortgage, including any act permitted by Section 6.2(d)

above, that act alone does not release or change the personal liability of any person for the payment and performance of the Secured Obligations then outstanding, or the lien of this Mortgage on all or the remainder of the Property for full payment and performance of all outstanding Secured Obligations. The liability of the original Grantor does not release or change if Grantee grants any successor in interest to Grantor any extension of time for payment, or modification of the terms of payment, of any Secured Obligation. Grantee is not required to comply with any demand by the original Grantor that Grantee refuse to grant such an extension or modification to, or commence proceedings against, any such successor in interest.

7.3 Merger. No merger occurs as a result of Grantee's acquiring any other estate in or any other lien on the Property unless Grantee consents to a merger in writing.

7.4 Joint and Several Liability. If Grantor consists of more than one person, each is jointly and severally liable for the faithful performance of all of Grantor's obligations under this Mortgage.

7.5 Applicable Law. This Mortgage is governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Idaho, but giving effect to federal laws applicable to national banks. This Mortgage may be executed in one or more counterparts, each of which is, for all purposes deemed an original and all such counterparts taken together, constitute one and the same instrument.

7.6 Successors in Interest. The terms, covenants and conditions of this Mortgage are binding upon and inure to the benefit of the heirs, successors and assigns of the parties. However, this Section does not waive the provisions of Section 5.1 above.

7.7 Interpretation. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Mortgage are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation", and the word "including" means "including, but not limited to". The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late fees, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Mortgage. The Exhibits to this Mortgage are hereby incorporated in this Mortgage.

7.8 Attorneys' Fees. Grantor is obligated to pay or reimburse Grantee for all attorneys' fees, costs and expenses which Grantee may incur in connection with the protection and/or enforcement of Grantee's rights under this Mortgage and/or which Grantee may incur in connection with any dispute involving this Mortgage. In the event of litigation involving

this Mortgage, the prevailing party shall be promptly paid its reasonable attorneys' fees and costs by the non-prevailing party.

7.10 Severability. If any provision of this Mortgage is held unenforceable or void, that provision is deemed severed from the remaining provisions and in no way affects the validity of this Mortgage except that if such provision relates to the payment of any monetary sum, then Grantee may, at its option, declare all Secured Obligations immediately due and payable

7.11 Time of Essence. Time is of the essence with regard to each provision of this Mortgage as to which time is factor.

7.12 Jury Trial; Waiver. GRANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS MORTGAGE AND THE PROMISSORY NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). GRANTOR (A) CERTIFIES THAT NO REPRESENTATIVE OR OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

7.13 Notices. Any notice required to be given by one party to another shall be given in writing and either shall be personally delivered or sent by certified mail, return receipt requested. Any notice given to the Grantee shall be sent to Grantee's address specified below. Any notice to the Grantor shall be sent to the Grantor's address specified below. Any party may specify a different address for the mailing of notices by sending a written statement to that effect to all other parties. The current mailing addresses follow:

If to Grantee: Middle Creek Ranch
2251 E 2350 N
Hamer, Idaho 83425
Attention: Sidney Brown

AND

David Leonardson
P.O. Box 251
Dubois, ID 83423, US

If to Grantor:

Neilson Brothers Angus Ranch, L.L.C.
910 Louisiana Street
Houston, Texas 77002
Attention: Renn Neilson

7.14 Relationship. The relationship between Grantee and Grantor shall be that of creditor-debtor only. No term in this Mortgage or in the Promissory Note and no course dealing between the parties shall be deemed to create any relationship of agency, partnership or joint venture or any fiduciary duty by Grantee to Grantor or any other party.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

GRANTOR:

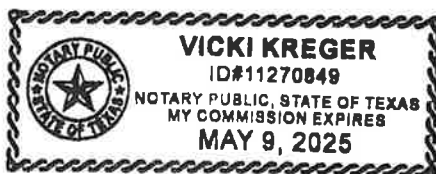
Neilson Brothers Angus Ranch L.L.C.

By: Renn G. Neilson
Name: Renn G. Neilson
Title: Member

State of Texas }
County of Harris } ss.
}

On this 9th day of May, 2022, before me, a Notary Public in and for said state, personally appeared Renn G. Neilson, known or identified to me (or proven to me on the oath of _____), to be the person whose name is subscribed to the within instrument, as Renn G. Neilson of Neilson Brothers Angus Ranch L.L.C., and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Vicki Kregar
Notary Public for the State of
Residing at:
Commission Expires:

NOV 14 2022

EXHIBIT A
to MORTGAGE
DESCRIPTION OF LAND

TOWNSHIP 12 NORTH, RANGE 34 EAST OF THE BOISE MERIDIAN, CLARK COUNTY, IDAHO

SECTION 7: $W\frac{1}{2}E\frac{1}{2}$ AND $E\frac{1}{2}NW\frac{1}{4}$

SECTION 18: $W\frac{1}{2}E\frac{1}{2}$ AND $SE\frac{1}{4}SE\frac{1}{4}$

SECTION 19: $N\frac{1}{2}NE\frac{1}{4}$

SECTION 20: $W\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$ AND $W\frac{1}{2}SE\frac{1}{4}$