

RECEIVED ✓

MAR 09 2026

DEPT. OF WATER RESOURCES
SOUTHERN REGIONSTATE 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.
	47-13314	47-12042		
	47-13315			
	47-13313			
	47-2292			
	47-7789			

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

Conterra Agricultural Capital, LLC

5465 Mills Civic Parkway, Suite 201

West Des Moines, Iowa 50266

Phone 855-381-3451

Email legal@conterraag.com

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

Canyon Ridge Properties LLC

5. Expiration Date of Notification Period

7/1/2056

6. Is this a Renewal of Request for Notification?

☐ YES☒ NO

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



Title, if applicable

COO & General Counsel

For Office Use OnlyReceived by SGDate 3/9/2026Receipt No. 5040979Fee \$150 -

Processed by AJ

Date

WR DMDate 3/14/2026**SUPPORT DATA****IN FILE #** 47-2292

TWIN FALLS COUNTY
RECORDED FOR:
TITLEONE - EAST REGION
01:18:07 PM 02-17-2026
2026002197
NO. PAGES 25 FEE: \$45.00
KRISTINA GLASCOCK
COUNTY CLERK
DEPUTY: SB
Electronically Recorded by Simplifile

After Recording Return To Preparer:

Conterra Agricultural Capital, LLC
5465 Mills Civic Parkway, Suite 201
West Des Moines, IA 50266
Attention: Mark A. Smith

25576193

_____[Space Above This Line For Recording Data]_____

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

1. Definitions. As used in this document, capitalized terms defined in the Note that are not otherwise defined in this Security Instrument shall have the meanings given to them in the Note. In addition, as used in this Security Instrument:

“Applicable Law” means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

“Borrower” shall mean the same Person identified as Grantor in this Security Instrument.

“Grantor” means Canyon Ridge Properties LLC, an Idaho limited liability company. Grantor's address is 19474 Hwy 30, Buhl, Idaho 83316. Grantor is the mortgagor under this Security Instrument.

“Electronic Funds Transfer” means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. “Electronic Funds Transfer” includes, without limitation, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

“Event of Default” has the meaning set forth in Section 15(a) of the Note.

“Lender” means Conterra Agricultural Capital, LLC. Lender is a limited liability company organized and existing under the laws of Iowa. Lender's address is 5465 Mills Civic Parkway, Suite 201, West Des Moines, Iowa 50266. Lender is the mortgagee under this Security Instrument.

“Loan” means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

“Loan Parties” means Grantor/Borrower and any other Person now or hereafter guarantying or granting any security interest in or other lien to secure all or any portion of the Secured Obligations.

“Miscellaneous Proceeds” means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section

6 of this Security Instrument) for: (a) damage to, or destruction of, the Property; (b) condemnation or other taking of all or any part of the Property; (c) conveyance in lieu of condemnation; or (d) misrepresentations of, or omissions as to, the value and/or condition of the Property.

“Note” means Grantor's promissory note dated the date hereof, payable to the order of Lender in the face principal amount of _____, plus interest, with a final maturity date of January 1, 2056. The Note contains variable interest rate provisions, which means, among other things, that the interest rate under the Note may change from time to time pursuant to the terms and conditions thereof.

“Person” means any individual, entity, corporation, limited liability company, partnership, trust or other organized group of persons.

“Property” has the meaning specified in Section 2 of this Security Instrument.

“Riders” means those certain riders to this Security Instrument that are executed by Grantor and/or Borrower.

“Security Instrument” means this document, which is dated February 11, 2026, together with all Riders to this document.

As used in this Security Instrument: (a) pronouns and other references to any gender shall include all genders; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word “may” gives sole discretion without any obligation to take any action.

2. **Granting Clause.** To secure to Lender (a) the repayment of the Loan and all renewals, extensions and modifications of the Note; and (b) the performance of Loan Party covenants and agreements under this Security Instrument, the Note, and the other Loan Documents; and (c) all other all other obligations of Loan Party to Lender, now existing or hereafter arising, whether direct or indirect, contingent or absolute, and whether as maker or surety, including, without limitation, future advances and amounts advanced and expenses incurred by Lender pursuant to the Loan Documents (collectively, the **“Secured Obligations”**), Grantor irrevocably mortgages, grants, pledges, bargains, assigns, transfers, warrants, and conveys to Lender, with power of sale and right of entry and possession the following described property located in Twin Falls County, Idaho (the **“Land”**):

See **Exhibit A** attached hereto and made a part hereof.

subject only to those matters set forth in the Permitted Prior Encumbrance Rider, if any such Rider is

attached to this Security Instrument ("*Permitted Prior Encumbrances*");

TOGETHER WITH all buildings, improvements, affixed equipment, fixtures and permanent plantings located in or on the Land or appurtenant thereto, and all additions, replacements, and improvements hereafter made thereto or placed therein or thereon; all rights-of-way, easements, rents, issues, profits, income, proceeds and general intangibles therefrom, tenements, hereditaments, remainders, reversions, privileges and appurtenances thereunto belonging, however evidenced which are used or enjoyed in connection with the Land now or hereafter owned or belonging to the same or which hereafter may be acquired and so used or enjoyed;

TOGETHER WITH all rights to the use and enjoyment of water, now owned or hereafter acquired by Grantor and howsoever evidenced, whether surface or subsurface, whether riparian, appropriative, prescriptive or otherwise, and whether or not appurtenant to the Land, now or hereafter relating or available to the Land or used in connection therewith, including but not limited to (i) water allocations, water banking rights or interests, carryover rights, supplemental water, storage and exchange rights drainage rights, distribution rights, storage rights, delivery rights, and other water-related rights or entitlements, whether available through any public or private irrigation projects, companies, districts, agencies or otherwise, together with all shares of stock evidencing any such rights or entitlements, and all voting rights and other rights and privileges that now or hereafter may exist with respect to such stock or with respect to participation, membership, or other involvement in any such projects, companies, districts, or agencies; (ii) water and water inventory in storage; (iii) rights under well, pump and filter sharing agreements; (iv) all easements, permits, licenses, leases, contracts, grants, reservations and any other rights and entitlements, however created, to drill, install and maintain wells, pumps and pipeline systems, or to use, appropriate, pump, extract, receive, transport, store or transfer water; and (v) all ditch and ditch rights and any shares of stock, licenses, permits and contracts evidencing such water or ditch rights, and all wells, reservoirs, dams, ponds and storage rights, springs and spring rights, leased project water, embankments or fixtures relating thereto (collectively, "*Water Rights*"), as well as all Water Rights set forth in the Water Rights Rider, if any such Rider is attached to this Security Instrument;

TOGETHER WITH any and all shares, and rights under such shares, of any private water company, mutual water company, or other non-governmental entity pursuant to which Grantor or the Land may receive water, and any other certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts;

TOGETHER WITH all fixtures and tangible personal property owned by Grantor and located on the Land, including all wells, irrigation and drainage pumps, motors, pipes, windmills, frost protection equipment, center pivot irrigators, sprinklers, drip line and emitters, filters, water measurement meters and control structures, and any other watering and irrigation equipment, motors, engines, and devices of every kind now or hereafter used for or in connection with the irrigation of the Land, or for stock watering or domestic purposes thereon, and all grain bins and storage bins, which are owned by Grantor and which are located on the Land, together with all additional accessions, replacements, improvements, repairs and substitutions to said property and the proceeds thereof and all other fixtures now or hereafter located upon the Land, all of which are declared to be appurtenant to the Land, or incident to the ownership thereof, or used in connection therewith;

TOGETHER WITH all judgments, awards of damages, settlements and payments or security (a)

hereafter made as a result of or in lieu of any taking of all or any part of the Land or other property described herein under the power of eminent domain or for any damage to the Land or other property described herein and/or the improvements located thereon, or any part thereof, and (b) hereafter made for any damage to the Land or other property described herein and/or the improvements located thereon, or any part thereof resulting from exercise of or attempted exercise of mining rights or claims, however reserved or asserted, and resulting from the disturbance of any of the surface of the Land. Grantor does hereby covenant and agree that Grantor will not give such consent as may be required of the owner for mining or other surface disturbance by the terms of any patent, deed, statute, law or otherwise, without the prior written consent of Lender;

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies covering the Land and/or the improvements and other fixtures located thereon, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the real property and/or the improvements located thereon or the indebtedness secured thereby;

TOGETHER WITH all contract rights, chattel paper, documents, accounts and general intangibles, rights to performance, entitlement to payment in cash or in kind, or any other benefits under any current or future governmental program which pertain to the Land and the fixtures located thereon, whether now or hereafter existing or acquired;

TOGETHER WITH all grazing leases, permits, allotments, licenses, and privileges covering state or federally owned lands used or operated in connection with the Land (collectively, "**Grazing Permits**"), together with all renewals of such Grazing Permits and any Grazing Permits acquired in the future, as well as all Grazing Permits set forth in the Grazing Permits Rider, if any such Rider is attached to this Security Instrument;

TOGETHER WITH all cash and noncash proceeds of the conversion, voluntary or involuntary, of any of the foregoing; and

TOGETHER WITH any and all of Grantor's right, title, and/or interest in any and all system memberships and/or ownership certificates in any non-municipal water sewer systems now or in the future serving the Land.

All replacements and additions shall also be covered by this Security Instrument.

All of the foregoing is referred to in this Security Instrument as the "**Property**."

3. Place, Manner, and Application of Payments. Pursuant to the terms and provisions of the Note, Grantor shall pay when due the principal of, and interest on, the debt evidenced by the Note and any yield maintenance premiums, any prepayment premiums, and any late charges due under the Note. Payments due under the Note, this Security Instrument, and the other Loan Documents shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note, this Security Instrument, or the other Loan Documents is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note, this Security Instrument, and the other Loan Documents be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided, that any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or

(d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 25 of this Security Instrument. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. Lender may hold such unapplied funds until Grantor makes payment to bring the Loan current. If Grantor does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Grantor. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Grantor might have now or in the future against Lender shall relieve Grantor from making payments due under the Note, this Security Instrument, and the other Loan Documents or performing the covenants and agreements secured by this Security Instrument.

Except to the extent required by Applicable Law, so long as no Event of Default has occurred and is continuing, payments will be applied, first, to collection expenses and protective advances under the Note and this Security Instrument, second, to accrued but unpaid interest under the Note, third, to the principal balance of the Note, and finally to late charges and other amounts payable under the Note and any other Loan Document (as defined in this Security Instrument). Payments following and during the continuance of an Event of Default shall be applied in such order as Lender may in its sole discretion determine.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall be applied to the understanding due thereunder in inverse order of maturity.

4. Grantor's Rights. Grantor covenants that Grantor is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, including the right to grant liens and encumbrances on the Property, and that the Property is unencumbered, except for encumbrances of record and specifically those Permitted Prior Encumbrances, if any, set forth in the Permitted Prior Encumbrances Rider if such Rider is attached to this Security Instrument. Grantor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

5. Charges; Liens. Grantor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any.

Grantor shall promptly discharge any lien which has priority over this Security Instrument unless Grantor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Grantor is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Grantor a notice identifying the

lien. Within ten (10) days of the date on which that notice is given, Grantor shall satisfy the lien or take one or more of the actions set forth above in this Section 5.

Lender may require Grantor to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with the Loan.

6. Property Insurance. Grantor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's right to disapprove Grantor's choice, which right shall not be exercised unreasonably. Lender may require Grantor to pay, in connection with the Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Grantor shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Grantor.

If Grantor fails to maintain any of the coverages described above, such failure shall constitute a default under the terms of this Security Instrument, the Note Lender may obtain insurance coverage, at Lender's option and Grantor's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Grantor, Grantor's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Grantor acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Grantor could have obtained. Any amounts disbursed by Lender under this Section

6 shall become additional debt of Grantor secured by this Security Instrument. These amounts shall bear interest at the highest rate, from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Grantor requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Grantor shall promptly give to Lender all receipts of paid premiums and renewal notices. If Grantor obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Grantor shall give prompt notice to the insurance carrier and Lender, and any/all insurance proceeds associated with the loss which Grantor may receive or be entitled to must be paid to Lender. Lender may make proof of loss if not made promptly by Grantor. If the Property is damaged, and, in Lender's sole judgement, the restoration or repair of the Property is economically feasible and will not result in a lessening of Lender's relative security for the secured obligations, Grantor may request that Lender permit all insurance proceeds received by Lender on the basis of such loss (the "**Loss Restoration**

Funds") be applied to the cost of restoration and repair of the Property. During such repair and restoration period, Lender shall have the right to hold the Loss Restoration Funds until Lender has had an opportunity to inspect such Property to ensure the restoration and repair work (the "*Work*") has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse the Loss Restoration Funds in a single payment or in a series of progress payments as the Work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Grantor any interest or earnings on the Loss Restoration Funds. Fees for public adjusters, or other third parties, retained by Grantor shall not be paid out of the insurance proceeds, nor the Loss Restoration Funds, and shall be the sole obligation of Grantor. If the projected cost of the Work, is greater than the Loss Restoration Funds available, Grantor must demonstrate to Lender's satisfaction that Grantor is able to pay the excess amount, and, at Lender's option, deposit a sum equal to the excess amount with Lender for payment of the Work prior to any Loss Restoration Funds being made available and disbursed to Grantor. In the event of a loss whereby Lender, in its sole discretion, determines that the restoration or repair of the Property is not economically feasible or Lender's security would be lessened, the insurance proceeds associated with such loss shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor. Such insurance proceeds shall be applied as provided in this Security Instrument and the other Loan Documents.

If Grantor abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Grantor does not respond within thirty (30) days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The thirty (30)-day period will begin when the notice is given. In either event, or if Lender acquires the Property by foreclosure or otherwise, Grantor hereby assigns to Lender (a) Grantor's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Grantor's rights (other than the right to any refund of unearned premiums paid by Grantor) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

Notwithstanding the above, should Lender incur any costs and expenses in connection with the recovery of any insurance proceeds associated with a loss at the Property from Grantor or any other Loan Party, once such insurance proceeds are recovered by Lender, Lender may apply such insurance proceeds toward reimbursement of any and all costs and expenses previously incurred by Lender. Lender may then, in its sole discretion, apply the remaining balance of such recovered insurance proceeds to the sums secured by this Security Instrument.

7. Preservation, Maintenance and Protection of the Property; Inspections. Grantor shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Grantor shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section

6 of this Security Instrument that repair or restoration is not economically feasible, Grantor shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Grantor shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress

payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Grantor is not relieved of Grantor's obligation for the completion of such repair or restoration.

Grantor will operate the Property in a good and workmanlike manner and in accordance with all Applicable Law and will pay all fees and charges of any kind in connection therewith. Grantor will use, and cause any tenant to use, good farming and animal husbandry practices.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Grantor notice at the time of or prior to such an interior inspection specifying such reasonable cause.

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

Grantor shall renew all Grazing Permits upon or prior to their expiration date, execute any instrument deemed necessary by Lender to effect a collateral assignment or waiver of such renewals to Lender, and pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of such Grazing Permits and all renewals thereof. Grantor shall take no action which would adversely affect any of such Grazing Permits or Grantor's preference status thereunder. In the event of foreclosure of this Security Instrument, Grantor will waive all claims for preference under any such Grazing Permits upon demand from the purchaser at foreclosure sale of the Land, or any successor to such purchaser. Grantor further agrees that the lands covered by any lease, permit or privilege which Grantor,

with the consent of Lender, shall substitute for the Grazing Permits, shall be subject to the provisions of this Security Instrument. Upon foreclosure and sale of the Land, title to the improvements held by Grantor on any federal or state lands covered by the Grazing Permits, together with Grantor's right to be paid the reasonable value thereof, shall pass free of all encumbrances other than those of the United States to the purchaser at such sale, and Lender is hereby authorized to execute, at its option, on behalf of Grantor, a bill of sale for such improvements. If title in fee simple to any of the lands covered by the Grazing Permits (or to any other lands) shall hereafter be acquired by Grantor, it is understood and agreed that such lands shall, upon such acquisition, become subject to the lien of this Security Instrument to the same extent as though such lands had originally been included herein as part of the Land, and further, that all of the terms, covenants, conditions and stipulations of this Security Instrument, applicable to the Property, shall extend and be applicable to any lands hereafter so acquired. Grantor shall execute any documents reasonably requested by Lender to perfect or document the pledge of the Grazing Permits to Lender.

8. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Grantor fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Grantor has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; (c) paying reasonable and documented attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding, (d) perform any farming operations related to the planting, growing, maintenance, and harvesting of crops located on the Property, and (e) perform any ranching operations related to any animals located on the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may act under this Section

Grantor shall maintain the Water Rights during the term of the Loan at a level and of a nature sufficient to provide the continuing, enforceable right to receive irrigation water on the Property from such sources, in such quantities and at such times and locations as have historically been available to the Property without interruption or substantially increased cost and in any event sufficient to provide adequate water and/or drainage to continue the current and proposed agricultural operations on the Property. All existing Water Rights benefiting or available to the Property shall be maintained in full force and effect for the benefit of the Property by Grantor and applied to beneficial use so as to maintain the validity and priority of such rights. Grantor shall fully comply with, and not permit a default to occur under any water licenses, permits or delivery contracts used to provide water to the Property and shall timely exercise all renewal or extension rights in such contracts. Grantor shall not modify, amend or terminate any Water Rights without Lender's prior written consent. Grantor shall comply with the rules, regulations and ordinances of any water district, water agency or groundwater management agency in which the Property or any portion thereof is located and pay all related fees and assessments prior to delinquency. All irrigation wells and related facilities used to deliver irrigation water to any portion of the Property shall remain physically located within the boundaries of such Property or the subject of valid, enforceable easements appurtenant to the

Property and encumbered hereby. If the use of any irrigation facilities or water serving the Property requires consent or the use of other property, Grantor shall maintain in effect all requisite easements or other legally enforceable and assignable rights to use such facilities and/or water to service the Property. Grantor shall notify Lender if the irrigation water supply to any portion of the Property is interrupted or subject to interruption for any reason other than temporarily for routine maintenance or repairs in a manner that does not impair the operation of the Property. At such times as Lender may reasonably request, Grantor shall deliver to Lender a certificate stating that the amount of water and quality of such water available and projected to be available (a "**Water Report**") is sufficient to conduct the farming and other operations of Grantor and its tenant(s) (if any), which any such Water Report shall be certified by Grantor and/or an authorized officer of any applicable water district or supplier of water.

Grantor shall renew all Grazing Permits upon or prior to their expiration date, execute any instrument deemed necessary by Lender to effect a collateral assignment or waiver of such renewals to Lender, and pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of such Grazing Permits and all renewals thereof. Grantor shall take no action which would adversely affect any of such Grazing Permits or Grantor's preference status thereunder. In the event of foreclosure of this Security Instrument, Grantor will waive all claims for preference under any such Grazing Permits upon demand from the purchaser at foreclosure sale of the Land, or any successor to such purchaser. Grantor further agrees that the lands covered by any lease, permit or privilege which Grantor, with the consent of Lender, shall substitute for the Grazing Permits, shall be subject to the provisions of this Security Instrument. Upon foreclosure and sale of the Land, title to the improvements held by Grantor on any federal or state lands covered by the Grazing Permits, together with Grantor's right to be paid the reasonable value thereof, shall pass free of all encumbrances other than those of the United States to the purchaser at such sale, and Lender is hereby authorized to execute, at its option, on behalf of Grantor, a bill of sale for such improvements. If title in fee simple to any of the lands covered by the Grazing Permits (or to any other lands) shall hereafter be acquired by Grantor, it is understood and agreed that such lands shall, upon such acquisition, become subject to the lien of this Security Instrument to the same extent as though such lands had originally been included herein as part of the Land, and further, that all of the terms, covenants, conditions and stipulations of this Security Instrument, applicable to the Property, shall extend and be applicable to any lands hereafter so acquired. Grantor shall execute any documents reasonably requested by Lender to perfect or document the pledge of the Grazing Permits to Lender.

8, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section

Grantor shall maintain the Water Rights during the term of the Loan at a level and of a nature sufficient to provide the continuing, enforceable right to receive irrigation water on the Property from such sources, in such quantities and at such times and locations as have historically been available to the Property without interruption or substantially increased cost and in any event sufficient to provide adequate water and/or drainage to continue the current and proposed agricultural operations on the Property. All existing Water Rights benefiting or available to the Property shall be maintained in full force and effect for the benefit of the Property by Grantor and applied to beneficial use so as to maintain the validity and priority of such rights. Grantor shall fully comply with, and not permit a default to occur under any water licenses, permits or delivery contracts used to provide water to the Property and shall timely exercise all renewal or extension rights in such contracts. Grantor shall not modify, amend or terminate any Water Rights without Lender's prior written consent. Grantor shall comply with the rules, regulations and ordinances of any water

district, water agency or groundwater management agency in which the Property or any portion thereof is located and pay all related fees and assessments prior to delinquency. All irrigation wells and related facilities used to deliver irrigation water to any portion of the Property shall remain physically located within the boundaries of such Property or the subject of valid, enforceable easements appurtenant to the Property and encumbered hereby. If the use of any irrigation facilities or water serving the Property requires consent or the use of other property, Grantor shall maintain in effect all requisite easements or other legally enforceable and assignable rights to use such facilities and/or water to service the Property. Grantor shall notify Lender if the irrigation water supply to any portion of the Property is interrupted or subject to interruption for any reason other than temporarily for routine maintenance or repairs in a manner that does not impair the operation of the Property. At such times as Lender may reasonably request, Grantor shall deliver to Lender a certificate stating that the amount of water and quality of such water available and projected to be available (a "**Water Report**") is sufficient to conduct the farming and other operations of Grantor and its tenant(s) (if any), which any such Water Report shall be certified by Grantor and/or an authorized officer of any applicable water district or supplier of water.

Grantor shall renew all Grazing Permits upon or prior to their expiration date, execute any instrument deemed necessary by Lender to effect a collateral assignment or waiver of such renewals to Lender, and pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of such Grazing Permits and all renewals thereof. Grantor shall take no action which would adversely affect any of such Grazing Permits or Grantor's preference status thereunder. In the event of foreclosure of this Security Instrument, Grantor will waive all claims for preference under any such Grazing Permits upon demand from the purchaser at foreclosure sale of the Land, or any successor to such purchaser. Grantor further agrees that the lands covered by any lease, permit or privilege which Grantor, with the consent of Lender, shall substitute for the Grazing Permits, shall be subject to the provisions of this Security Instrument. Upon foreclosure and sale of the Land, title to the improvements held by Grantor on any federal or state lands covered by the Grazing Permits, together with Grantor's right to be paid the reasonable value thereof, shall pass free of all encumbrances other than those of the United States to the purchaser at such sale, and Lender is hereby authorized to execute, at its option, on behalf of Grantor, a bill of sale for such improvements. If title in fee simple to any of the lands covered by the Grazing Permits (or to any other lands) shall hereafter be acquired by Grantor, it is understood and agreed that such lands shall, upon such acquisition, become subject to the lien of this Security Instrument to the same extent as though such lands had originally been included herein as part of the Land, and further, that all of the terms, covenants, conditions and stipulations of this Security Instrument, applicable to the Property, shall extend and be applicable to any lands hereafter so acquired. Grantor shall execute any documents reasonably requested by Lender to perfect or document the pledge of the Grazing Permits to Lender.

8. Lender may perform these or any other actions it deems necessary in Lender's sole discretion to preserve the value of the Property, and/or assign to others the right to do same on behalf of Lender. Lender may make advances under this Security Instrument or other instrument providing security for the Note, to protect the Lender's interest in this Security Instrument or other instrument providing security for the Note from loss of value or damage. Any money so advanced (including reasonable and documented costs of recovery and attorneys' fees) plus interest at the default rate indicated in the Note shall be due and payable by Grantor on demand and is an obligation secured by this Security Instrument.

Notwithstanding the forgoing, Lender may, at its option (i) 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 Lender may make any compromise or settlement of the action or proceeding; (ii) participate in any action or proceeding relating to any payment of Miscellaneous Proceeds, specifically including but not limited to condemnation award(s); and/or (iii) join Grantor in adjusting any insurance claim. Although Lender may take any or all of the actions identified in the preceding sentence, Lender does not have to do so and is not under any duty or obligation to do so. It is furthermore agreed that Lender incurs no liability for not taking any or all of the actions identified in this paragraph.

If this Security Instrument is on a leasehold, Grantor shall comply with all the provisions of the lease. Grantor shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Grantor shall not, without the express written consent of Lender, alter or amend the ground lease. If Grantor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

9. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

GRANTOR HEREBY SPECIFICALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES ALL RIGHTS OF A PROPERTY OWNER GRANTED UNDER APPLICABLE LAW PROVIDING FOR ALLOCATION OF CONDEMNATION AWARDS BETWEEN A PROPERTY OWNER AND A LIENHOLDER.

If the Property is damaged, and, in Lender's sole judgement, the restoration or repair of the Property is economically feasible and will not result in a lessening of Lender's relative security for the secured obligations, Grantor may request that Lender permit such Miscellaneous Proceeds received by Lender on the basis of such damage (the "*Miscellaneous Proceeds Restoration Funds*") be applied to restoration or repair of the Property. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds Restoration Funds until Lender has had an opportunity to inspect such Property to ensure the restoration and repair work (the "*Restoration Work*") has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse the Miscellaneous Proceeds Restoration Funds in a single payment or in a series of progress payments as the Restoration Work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay any interest or earnings on such Miscellaneous Proceeds Restoration Funds. If the projected cost of the Restoration Work, is greater than the Miscellaneous Proceeds Restoration Funds available, Grantor must demonstrate to Lender's satisfaction that Grantor is able to pay the excess amount, and, at Lender's option, deposit a sum equal to the excess amount with Lender for payment of the Restoration Work prior to any Miscellaneous Proceeds Restoration Funds being made available and disbursed to Grantor. If, in Lender's sole discretion, the restoration or repair of the Property is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor. The Miscellaneous Proceeds shall be applied as provided in this Security Instrument and the other Loan Documents.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Grantor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market

value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Grantor and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Grantor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Grantor and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Grantor, or if, after notice by Lender to Grantor that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Grantor fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "*Opposing Party*" means the third party that owes Grantor Miscellaneous Proceeds or the party against whom Grantor has a right of action in regard to Miscellaneous Proceeds.

The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property as provided in this Security Instrument shall be applied as set forth in the other Loan Documents.

Notwithstanding the above, should Lender incur any costs and expenses in connection with the recovery of any Miscellaneous Proceeds from Grantor or any other Loan Party, once such Miscellaneous Proceeds are recovered by Lender, Lender may apply such Miscellaneous Proceeds toward reimbursement of any and all costs and expenses previously incurred by Lender. Lender may then, in its sole discretion, apply the remaining balance of such recovered Miscellaneous Proceeds to the sums secured by this Security Instrument.

10. Grantor Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument shall not operate to release the lien of this Security Instrument or the liability of Grantor or any other Loan Party under this Security Instrument or any other Loan Document. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

11. Joint and Several Liability; Cosigners. Any and all obligations and liabilities under this Security Instrument shall be joint and several.

12. Loan Charges. Lender may charge Grantor fees for services performed in connection with any Event of Default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Grantor shall not be construed as a prohibition on the charging of such fee.

13. Transfer of the Property or a Beneficial Interest in Loan Parties. As used in this Section 13, "**Prohibited Transfer**" means: (a) any sale, contract to sell, conveyance, encumbrance, pledge, mortgage, deed of trust, grant of a lien or a security interest, lease of the Property, or other transfer of all or any part of the Property or any interest in it, including, without limitation, those beneficial interests transferred in a bond for deed, installment sales contract, or escrow agreement, the intent of which is the transfer of title by Grantor at a future date to a purchaser, also including any transfer of mineral rights, Water Rights, whether voluntary, involuntary, by operation of law or otherwise; (b) the entry of any judgment against any Loan Party; (c) if any Loan Party is a corporation, any transfer or transfers of shares of the voting power or the direct or indirect beneficial ownership of the applicable Loan Party; (d) if any Loan Party is a partnership, withdrawal or removal of any general partner, dissolution of the partnership under any Applicable Laws, or any transfer or transfers of the partnership interests; (e) if any Loan Party is a limited liability company, withdrawal or removal of any managing member, termination of the limited liability company or any transfer or transfers of the voting power or the ownership or membership interest in the Grantor; or (f) if any Loan Party is a trust, withdrawal or removal of any trustee or revocation of the trust.

If any Prohibited Transfer occurs without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. If Lender requires immediate payment in full of all sums secured by this Security Instrument pursuant to the immediately preceding sentence, Lender shall provide Grantor with notice which such notice shall give Grantor a period of thirty (30) days from the date of such notice to pay all sums secured by this Security Instrument. In the event Grantor fail to pay such sums prior to the expiration of such thirty (30)-day period, Lender may invoke any and all remedies permitted by the Note, this Security Instrument, and the other Loan Documents without further notice or demand.

14. Sale of Note. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Grantor.

15. Hazardous Substances. As used in this Section

15: (a) "**Environmental Claim**" includes, but is not limited to, any claim, demand, action, cause of action, suit, loss, cost, damage, fine, penalty, expense, liability, judgment, proceeding, or injury, whether threatened, sought, brought, or imposed, directly or indirectly related to the Property for a violation of Environmental Law on the Property, any other Environmental Condition with respect to the Property, including an Environmental Cleanup of the Property; (b) "**Environmental Cleanup**" means any response action, remedial action, or removal action, as defined in Environmental Law; (c) "**Environmental Condition**" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup; (d) "**Environmental Law**" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (e) "**Environmental Permit**" means any permit, license, approval, or other authorization with respect to any activities, operations, or businesses conducted

on, under or in relation to the Property obtained or required in connection with any Environmental Law; (f) "**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (g) "**Hazardous Substances**" means those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; and (h) "**Lender Parties**" means, individually and collectively, Lender, Lender's subsidiaries and affiliates, and all officers, directors, agents, employees, servants, attorneys, and representatives of Lender or any subsidiary or affiliate of Lender.

Grantor represents and warrants to Lender that: (i) Grantor has complied and caused the Property to comply with all Environmental Laws, including but not limited to obtaining any necessary Environmental Permits, relating to the Property; (ii) there are no existing, pending, or threatened Environmental Claims against Grantor or the Property; (iii) neither Grantor nor any agent, affiliate, tenant, or partner of Grantor has received any notices of and does not otherwise have any notice of an Environmental Claim regarding the Property nor any other action, proceeding or investigation by any Governmental Authority or third party under any Environmental Laws or Environmental Permits; (iv) any questionnaire, if any, prepared by Grantor and submitted to Lender is true and accurate as of the date of this Security Instrument; (v) the Property does not contain any facility that is subject to reporting under Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11022); (vi) the Property is not listed on the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) in accordance with Section 116 of CERCLA (42 U.S.C. 9616); (vii) to Grantor's knowledge, after due investigation, there are no Hazardous Substances stored, disposed of or otherwise present on the Property other than crop fertilizers and agricultural chemicals in accordance with Applicable Law and the manufacturer's label instructions, other Hazardous Substances in minor quantities as necessary for Grantor's normal business operations located on the Property, or Hazardous Substances in the form of consumer products held for retail sale in sealed containers; (viii) Grantor has no knowledge after due investigation of any release of Hazardous Substances on, under, from, or affecting the Property, other than the application of crop fertilizers and agricultural chemicals in accordance with Applicable Law and the manufacturer's label instructions; (ix) except as disclosed to Lender in writing, prior to the date of this Security Instrument, Grantor has no knowledge, after due investigation of any underground storage tanks or landfills located on the Property; and (x) Grantor has provided Lender with all environmental reports and site assessments in the custody or control of Grantor relating to the Property.

Grantor covenants and agrees as follows: (i) Grantor shall not use, transport, store, treat, generate, handle or dispose of, or in any manner deal with, and shall ensure that no occupant of the Property uses, transports, stores, treats, generates, handles or disposes of, or in any manner deals with, Hazardous Substances on, in, at, about, or from the Property, except in compliance with all Applicable Laws, including Environmental Laws; (ii) Grantor shall not cause and shall ensure that no occupant of the Property causes the Property to become subject to regulation as a hazardous waste treatment, storage, or disposal facility under Environmental Laws; (iii) Grantor shall comply with, and ensure compliance by all occupants of the Property with, all Environmental Laws, and shall keep the Property free and clear of any liens imposed pursuant to any Environmental Laws; (iv) Grantor shall immediately notify Lender if Grantor receives any

notice or advice from any Governmental Authority or any source whatsoever of any: (A) release of Hazardous Substances, on, under, from, or affecting the Property, which could require remediation or reporting under Environmental Laws; (B) enforcement action or threat of enforcement action by any Governmental Authority with respect to Hazardous Substances in, on, under, from or affecting the Property, or relating to Grantor's property, activities, or operations generally; (C) Environmental Claim; (D) requirement of Grantor or any occupant of the Property to obtain an Environmental Permit; or (E) requirement of Grantor or any occupant of the Property to obtain a permit or license with respect to exploration, mining, extraction, storage, transportation, processing or sale of coal, oil, gas or any other minerals on or under the Property; (v) promptly upon receipt, Grantor shall deliver to Lender copies of all notices, orders, or other communications regarding any event described in clauses (iv)(A) through (E) above; (vi) except as specifically disclosed to Lender in writing, prior to the date of this Security Instrument, Grantor shall not allow to exist on, under, or about the Property any underground storage tanks; and with respect to such underground storage tanks, previously disclosed to Lender in writing, all such underground storage tanks shall be operated and maintained in accordance with all Environmental Laws; and (vii) upon an Event of Default, then without any notice or further action Lender may in its sole discretion enter the Property to perform or have performed investigation of the Property for the presence of Hazardous Substances. Such investigation may include but is not limited to the conduct of a Phase I and/or Phase II Environmental Report including any surface or subsurface sampling and analysis of soil, groundwater, sediment and/or surface water. Grantor shall cooperate fully with Lender with respect to any such investigation by Lender.

If Lender has received information indicating a reasonable possibility of the presence of Hazardous Substances on the Property in violation of Environmental Laws, Grantor shall provide at its sole cost and expense within 20 days after written request by Lender, a report from a qualified engineering firm or other qualified consultant acceptable to Lender with respect to an investigation and audit of the Property as deemed necessary by the consultant to enable the consultant to report that there is no apparent or likely Hazardous Substances on the Property; and Grantor shall, if deemed reasonably necessary to further investigate suspected or likely contamination, provide Lender with supplemental reports by acceptable qualified consultants of the analysis which may include surface and subsurface sampling and analysis of soil, sediment, surface water and/or groundwater from the Property, showing no Hazardous Substances (any such audit, and any supplemental reports, an "Environmental Report"). If Grantor does not comply with the requirements of this Section 15 within such 20-day period, or such additional time as Lender shall agree to in writing, or if Lender is not reasonably satisfied with the results of any of the conclusions in the Environmental Report, then Lender may perform or cause to be performed such additional investigations (including surface and subsurface testing of soil, groundwater, surface water and sediment) as Lender deems appropriate. Grantor consents to Lender entering the Property to the extent required to perform and to Lender performing such additional investigations, without the need for further action.

If any Environmental Cleanup is deemed by Lender to be necessary pursuant to Environmental Laws or with respect to an Environmental Claim, Grantor shall within 30 days after written demand for performance thereof by Lender (or such shorter period of time as required under Applicable Law), begin and thereafter complete, all such remedial work. All Environmental Cleanup work shall be approved in advance in writing by Lender. All costs and expenses related to any Environmental Cleanup, including costs and expenses incurred by Lender in connection with monitoring or review of such Environmental Cleanup, shall be paid by Grantor. If Grantor fails to promptly commence or fails to complete such Environmental

Cleanup, Lender may, but shall not be required to, cause such Environmental Cleanup to be performed and all costs and expenses shall become an Environmental Claim hereunder. If there is an emergency, Grantor shall immediately commence the Environmental Cleanup and thereafter give immediate notice to Lender. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

INDEMNIFICATION. GRANTOR SHALL DEFEND, INDEMNIFY AND HOLD LENDER PARTIES HARMLESS AGAINST ANY AND ALL LOSSES AND OTHER COSTS AND EXPENSES AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER THAT MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE LENDER PARTIES BASED ON AN ENVIRONMENTAL CLAIM; EXCEPT THAT GRANTOR SHALL HAVE NO OBLIGATION TO A LENDER PARTY UNDER THIS SECTION 15 WITH RESPECT TO LOSSES AND OTHER COSTS AND EXPENSES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A LENDER PARTY AS DETERMINED BY A COURT OF COMPETENT JURISDICTION. IF AND TO THE EXTENT THAT ANY INDEMNITY UNDER THE LOAN DOCUMENTS IN FAVOR OF LENDER PARTIES IS UNENFORCEABLE FOR ANY REASON, GRANTOR SHALL MAKE THE MAXIMUM CONTRIBUTION TO THE PAYMENT AND SATISFACTION THEREOF WHICH IS PERMISSIBLE UNDER APPLICABLE LAW. THIS INDEMNITY SHALL SURVIVE THE REPAYMENT OF THE LOAN AND RELEASE OR RECONVEYANCE OF THIS SECURITY INSTRUMENT.

16. **Additional Property Subject To This Security Instrument.** This Security Instrument also constitutes a security agreement within the meaning of the Uniform Commercial Code as adopted in the State of Idaho (the "*UCC*") with respect to all fixtures and personal property included in the Property as described above (the "*Personal Property*"). All of the terms, provisions, conditions and agreements contained in this Security Instrument pertain and apply to the Personal Property as fully and to the same extent as to any other property covered. The provisions of this Section 16 shall not limit the generality or applicability of any other provision of this Security Instrument but shall be in addition thereto.

17. **Fixture Filing.** From the date of its recording, this Security Instrument shall be effective as a financing statement filed as a fixture filing under the UCC with respect to the Personal Property. For purposes of such financing statement, the names and addresses of the "debtor" and "secured party" are the names and addresses of Grantor and Lender, respectively, as set forth in Section 1 of this Security Instrument.

18. **Use of Property; Compliance With Law.** Grantor shall not seek, agree to or make a change in the permitted use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Grantor shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

19. **Assignment of Leases.** Upon Lender's request after any default under this Security Instrument, the Note, or any other Loan Document, Grantor shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph, the word "lease" shall mean "sublease" if this Security Instrument is on a leasehold.

20. Assignment of Rents; Appointment of Receiver; Lender In Possession. Grantor absolutely and unconditionally assigns and transfers to Lender all of Grantor's right, title and interest in and to all rents and other benefits derived from any lease(s), including any sublease(s), and all other issues, profits, royalties, bonuses, income and other proceeds of the Property, whether now due, past due or to become due, including all prepaid rents, security deposits and other supporting obligations ("**Rents**") of the Property, regardless of to whom the Rents of the Property are payable. Grantor authorizes Lender or Lender's agents to collect the Rents and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Grantor may receive the Rents until Lender has given notice to the tenant(s) following an Event of Default that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

Upon notice by Lender following an Event of Default, (a) all Rents received by Grantor shall be held by Grantor in trust for the benefit of Lender only, to be applied to the sums secured by this Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Grantor agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless Applicable Law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by this Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness secured by this Security Instrument.

Grantor represents and warrants that Grantor has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this Section 20.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by this Security Instrument are paid in full.

21. Cross-Default. The occurrence of any default or event of default (however defined) by any Borrower under any bond, debenture, note, securitization or other evidence of indebtedness or similar obligation of such of any Borrower, or under any indenture, loan agreement, credit agreement, security agreement, mortgage, deed of trust or other instrument or agreement under which any such evidence of indebtedness or similar obligation has been issued or by which it is governed or secured, and (in each case) the expiration of the applicable grace period, if any, specified in such evidence of indebtedness, indenture,

or other instrument, shall constitute a default under this Security Instrument and an event of default under the Note.

22. Cross-Collateralization. In addition to the Note, all liens, security interests, assignments, suretyship obligations, stock pledges, rights and remedies granted to the Lender in the Loan Documents secure all obligations, debts and liabilities, plus interest thereon, of Grantor to the Lender, as well as claims by the Lender against Grantor, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, absolute or contingent, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

23. Remedies. Upon the occurrence and during the continuance of an Event of Default, in addition to any other rights, remedies, and powers that Lender may have under the other Loan Documents or as provided by law, Lender (either personally or by its agents, nominees, or attorneys) may immediately take such action, without notice or demand, as it deems advisable to protect and enforce the lien and security interest hereof and its rights hereunder, including without limitation the following actions, each of which may be pursued in its own name or in the name of Grantor, concurrently or otherwise, at such time and in such manner as Lender may determine in its sole discretion, without impairing or otherwise affecting the other rights, remedies, and powers of Lender:

(a) Entry and Possession. (i) Enter upon and take possession of the Property, with or without the appointment of a receiver or an application therefor; (ii) dispossess and exclude Grantor and its agents and servants wholly therefrom by summary proceedings or otherwise; (iii) take possession of all books, records, and accounts relating thereto; (iv) use, operate, manage, control, insure, maintain, repair, restore, improve, alter, and otherwise deal with all and every part of the Property and conduct the business thereat; (v) make, cancel, enforce, or modify leases and obtain and evict tenants; (vi) demand, sue for, collect, and receive the rents, incomes, issues, and profits of the Property and apply the same, after payment of all charges and expenses (including reasonable and documented attorneys' fees and expenses), on account of the Secured Obligations; or (vii) require Grantor to transfer and assign to Lender, in form satisfactory to Lender, Grantor's interest as lessor in any lease now or hereafter affecting the whole or any part of the Property, it being understood that in the event Grantor fails to render an assignment of leases to Lender this document shall upon the occurrence of any Event of Default serve as a de facto notice of such assignment to any interested party.

(b) Acceleration. Declare the entire Secured Obligations immediately due, payable, and collectible, regardless of maturity, and, in that event, the entire Secured Obligations shall become immediately due, payable, and collectible; and thereupon Lender may institute proceedings to foreclose this Security Instrument by judicial action, or to enforce its provisions or any of the indebtedness or obligations secured by this Security Instrument.

(c) Foreclosure Sale. Institute a foreclosure action in accordance with the laws of the state in which the Property is located or take any other action as may be allowed, at law or in equity, for the enforcement of the Secured Obligations and realization on the Property (or such part or parts

thereof as Lender may from time to time elect to foreclose upon) or any other security afforded by the Loan Documents. Lender may proceed to final judgment and execution for the amount of the Secured Obligations owed as of the date of the judgment, together with all costs of suit, reasonable and documented attorneys' fees, and interest on the judgment at the maximum rate permitted by law from the date of the judgment until paid. If Lender is the purchaser at the foreclosure sale of the Property, in lieu of paying cash Lender may make settlement for all or a portion of the purchase price by crediting the net sale proceeds (after deducting costs expenses including reasonable and documented attorneys' fees and expenses) against the Secured Obligations.

(d) Deficiency Judgment. If permitted by Applicable Law, Lender may sue for and obtain a judgment for any deficiency remaining in the Secured Obligations after application of all amounts received from the exercise of the rights provided in Section 23(c) of this Security Instrument.

(e) Other Rights. Exercise any and all rights, remedies, and powers accruing to a secured party under this Security Instrument, the other Loan Documents, the UCC, or any other Applicable Law or available in equity.

24. Sale in Parcels. In any action to foreclose this Security Instrument, at the election of Lender, the Property or any part thereof may be sold together or separately, in one sale or separate sales, in one parcel and as an entirety, or in such parcels, manner, or order as Lender in its sole discretion may elect, and one or more exercises of the rights and powers herein granted shall not extinguish or exhaust Lender's rights and powers unless the entire Property is sold or the Secured Obligations are paid in full.

25. Notices. All notices given to Lender in connection with this Security Instrument shall be given and deemed effective when delivered in accordance with the Note. If any notice required by this Security Instrument is also required under Applicable Law, the requirement of Applicable Law will satisfy the corresponding requirement under this Security Instrument.

26. Governing Law. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Land is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract.

27. Severability. Grantor/Borrower and Lender intend as follows: (a) that if any provision of this Security Instrument is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded; (b) that if an unenforceable provision is modified or disregarded in accordance with this Section 26, then the rest of this Security Instrument will remain in effect as written; and (c) that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

28. Successors and Assigns. All covenants and agreements herein described shall extend to and be binding upon the legal representatives, successors and assigns (voluntary and involuntary by operation of law) of Grantor/Borrower.

29. Further Assurances. Grantor/Borrower will do, execute, acknowledge and deliver each and every further act, deed, conveyance, transfer and assurance necessary or proper, in the sole judgment of Lender, for the better assuring, conveying, mortgaging, assigning and confirming unto Lender all of the Property or property intended so to be, whether now owned by Borrower or hereafter acquired.

30. Counterparts. This Security Instrument may be executed in counterparts, each of which shall be an original, and all of which, taken together, shall constitute this Security Instrument.

[Signature Page Follows]

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Grantor and/or Borrower.

GRANTOR:

CANYON RIDGE PROPERTIES LLC,
an Idaho limited liability company

By: 
Eric Pearson

Its: Member and Manager

By: 
Estate of Terry Leon Pearson

Its: Member

By: Shirley E. Pearson, Executor

By: 
Shirley E. Pearson

Its: Member

[Notary Forms on Following Page]

STATE OF Idaho)
COUNTY OF Twin Falls) ss.

February

This document was acknowledged before me on 13, 20 26, by Eric Pearson.

[Signature]
Notary Public
My Commission Expires: 12/23/2030



STATE OF Idaho)
COUNTY OF Twin Falls) ss.

February

This document was acknowledged before me on 13, 20 26, by Shirley E. Pearson, as Executor of the Estate of Terry Leon Pearson.

[Signature]
Notary Public
My Commission Expires: 12/23/2030



STATE OF Idaho)
COUNTY OF Twin Falls) ss.

February

This document was acknowledged before me on 13, 20 26, by Shirley E. Pearson.

[Signature]
Notary Public
My Commission Expires: 12/23/2030



EXHIBIT A

Legal Description of the Land

(Attached)

SCHEDULE C

Legal Description:

PARCEL NO. 1:
TOWNSHIP 9 SOUTH, RANGE 14 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 17: NW $\frac{1}{4}$ SW $\frac{1}{4}$

PARCEL NO. 2:
TOWNSHIP 9 SOUTH, RANGE 14 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 17: NE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$

PARCEL NO. 3:
TOWNSHIP 9 SOUTH, RANGE 14 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 20: NE $\frac{1}{4}$ and All that part of the E $\frac{1}{2}$ NW $\frac{1}{4}$ lying East of the centerline of Deep Creek

PARCEL NO. 4:
TOWNSHIP 9 SOUTH, RANGE 14 EAST OF THE BOISE MERIDIAN,
TWIN FALLS COUNTY, IDAHO

Section 20: W $\frac{1}{2}$ SW $\frac{1}{4}$

SAVE AND EXCEPT that portion deeded to the State of Idaho by Highway Right-of-Way Deed, dated March 4, 1949 and recorded March 29, 1949 as Instrument No. 388842, records of Twin Falls County, Idaho, described as follows:

An irregular parcel of land on both sides of the center line of highway as surveyed and shown on the official plat of the Old Oregon Trail SAP 9(16), highway survey on file in the office of the Department of the Public Works of the State of Idaho, and lying over and across a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, more particularly described as follows:

Beginning at the Southwest corner of Section 20;

Thence North along the west line of Section 20 for a distance of 273.6 feet more or less to a point;

Thence East 30.0 feet to a point;

Thence South along a line parallel to and 30.0 feet Easterly from the centerline of the Old Oregon Trail Highway a distance of 15.5 feet to a point;

Thence Southeasterly and easterly along a curve left of 230.5 feet radius a distance of 359.9 feet, more or less to a point;

Thence South 30.0 feet, more or less, to a point on the South line of said Section 20;

Thence West along said South line a distance of 258.1 feet, more or less to the Point of Beginning.



IDAHO DEPARTMENT OF
WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, ID 83301-5858

Phone: 208-736-3033 • Fax: 208-736-3037 • Email: southerninfo@idwr.idaho.gov • Web: idwr.idaho.gov

Governor Brad Little

Director Mathew Weaver

August 14, 2026

CONTERRA AGRICULTURAL CAPITAL LLC
5465 MILLS CIVIC PKWY STE 201
WEST DES MOINES IA 50266-5320

Re: Notice of Security Interest for Water Right Permit No(s): 47-2292, 47-7789, 47-12042,
47-13313, 47-13314 & 47-13315

Dear Security Interest Holder:

The Department of Water Resources (Department) acknowledges receipt of correspondence adding security interest of the above referenced water right(s) to you. The Department has modified its records to reflect the change in security interest and has enclosed a computer-generated report for 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) 293-9908.

Sincerely,

Denise Maline
Administrative Assistant 1

Enclosure(s)

c: Canyon Ridge Properties LLC
TitleOne, Burley, ID (File #25576193)



211 W. 13th St.
Burley, ID 83318
Ph. (208) 881-0087
Fx. (866) 582-7546
www.titleonecorp.com

Via FedEx Overnight Delivery

Idaho Dept of Water Resources
650 Addison Ave W, Suite 500
Twin Falls, ID 83301-5858

RECEIVED

MAR 09 2026

DEPT. OF WATER RESOURCES
SOUTHERN REGION

Date: March 5, 2026

Re: Escrow No. 25576193 ~ Canyon Ridge Properties LLC

In connection with the above referenced transaction, I am enclosing the following:

- Copy of recorded Mortgage, Instrument No. 2026002197 and Assignment of Mortgage, Instrument No. 2026002198, Twin Falls County, Idaho
- Notice of Security Interest in a Water Right (6)

Your business is greatly appreciated. If you have any questions, please do not hesitate to contact me.

Sincerely,

Laury Lamb
(208) 324-5613
llamb@titleonecorp.com