



July 24, 2008

Neil R. Hamilton
Regional Vice President
Neil.Hamilton@raboag.com

State Of Idaho
Department Of Water Resources
P.O. BOX 83720
Boise, Idaho 83720-0098

10100 Trinity Parkway
Suite 400
Stockton, CA 95219
Tel: (209) 472-3900
Fax: (209) 951-3038
www.RaboAg.com

Re: Loan No. F-612018/ Idaho Ag, Inc. (paid in full 6/12/08)
Water Rights - Release in Lienholder's Interest

Dear Sir/Madam,

Please be advised that the above referenced loan has been paid in full. The MONY Life Insurance Company, formerly know as The Mutual Life Insurance Company Of New York, does hereby release any and all interest in the assigned properties outlined below:

✓ Assignment And Pledge Of Water Rights, Licenses And Permits (See Attached Copy)

We appreciate you noting this release in your records.

Sincerely,

Neil R. Hamilton
Regional Vice President
Rabo Agrifinance, Inc.

36-13117

NRH/wi

Enclosure

cc: Rick Choate, Relationship Manager
Phone: (208) 733-0044

COPY

P A O D
JUN 12 2008

Loan No. 12018

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

COPY

**ASSIGNMENT AND PLEDGE OF WATER
RIGHTS, LICENSES AND PERMITS**

THIS AGREEMENT, made this 19th day of July, 1993, between Idaho Ag, Inc., an Idaho corporation, hereinafter referred to as "Mortgagor", and THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, a New York corporation, hereinafter referred to as "Mortgagee",

WITNESSETH:

as additional security for the payment of that certain Promissory Note in the amount of Eight Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00) of even date herewith, made by Mortgagor to the order of The Mutual Life Insurance Company of New York, a New York corporation, which said Note is secured by a Mortgage of even date therewith made by Mortgagor to Mortgagee covering the premises and appurtenances set forth in Exhibit "A" attached hereto and made a part hereof for all purposes (hereinafter referred to as the "mortgaged premises"), the said Mortgagor, for security purposes only, does hereby assign and transfer to Mortgagee, all right, title and interest pertaining to all water rights, licenses and permits to appropriate the public waters of the State of Idaho, used in connection with said premises, together with all renewals and substitutions, including but not limited to, those listed below:

**SEE EXHIBIT "B" ATTACHED HERETO
AND INCORPORATED HEREIN BY THIS REFERENCE**

It is also agreed between Mortgagee that said water rights, licenses and permits shall be appurtenant to the mortgaged property and used in connection with said property during the life of said loan and any extensions thereof.

Mortgagor covenants that Mortgagor will observe and perform all of the obligations imposed upon the Mortgagor under said instruments, and they will not permit to be done anything to impair the validity thereof and the right to use said water rights, licenses and permits so that same will at all times be appurtenant to the mortgaged premises; it will not convey any further rights thereunder to any party other than the owner of the mortgaged premises, and to permit no act that will cause a cancellation or termination of said water rights, licenses and permits.

In the event of a failure of the Mortgagor to keep in full force and effect said water rights, licenses and permits and to perform all acts required thereunder, then such cancellation of said water rights, licenses and permits shall constitute an event of default under the Note and Mortgage above described and, at the election of the Mortgagee, shall entitle Mortgagee to all remedies included in said Note and Mortgage.

It is agreed that the Mortgagee shall not be liable for the performance of any of the terms and conditions of said water rights, licenses or permits, but Mortgagee, at its option, and not at its obligation, is hereby granted the right to cure any default under said water rights, licenses or permits, at the cost of the Mortgagor, whereas said cost, including any

COPY

attorney fees incurred, is thereupon to be immediately due and payable to the Mortgagee under the terms of the Mortgage.

In the event the Mortgagor is in default and the Mortgagee elects to foreclose its Mortgage, the said water rights, licenses and permits may be entered as a part of the mortgaged premises and sold with the Real Estate in such foreclosure action, and the said water rights, licenses and permits may be assigned to the purchaser under said foreclosure suit, together with the mortgaged premises, as a single unit with the property. At the option of the Mortgagee, Mortgagee may pursue any other remedy authorized by law for the enforcement of the lien hereby created.

The Mortgagor hereby directs the issuing agency of said water rights, licenses and permits, its successors and assigns, to recognize the mortgagee, its successors and assigns, as the owners of said water rights, licenses and permits at any foreclosure sale held under or pursuant to the terms of said Mortgage, and in the event of such foreclosure sale, said Mortgagor does hereby, for itself and its successors and assigns, hereby irrevocably appoint the Mortgagee its true and lawful agent and attorney in fact for it and in its name, place and stead to execute, sign, acknowledge and deliver such instruments of transfer as said agent shall deem fit and proper in its sole discretion to accomplish said transfer to the purchaser as such foreclosure sale held under or in pursuant to the remedies provided in said Mortgage, in the event of a default thereunder.

Idaho Ag, Inc.,
an Idaho corporation

By: Randy Bauscher
Randy Bauscher, President

STATE OF IDAHO

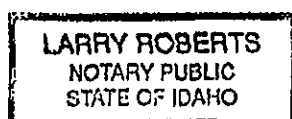
COUNTY OF Cassia

On this 19 day of July, 1993, before me, a Notary Public for said county and state, personally appeared Randy Bauscher, known or by satisfactory means identified to me to be the person described in and who executed the foregoing instrument, and the said Randy Bauscher acknowledged to me that he executed the foregoing instrument in his capacity as President of Idaho Ag., Inc., an Idaho corporation, for the uses and purposes set forth therein.

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

Larry Roberts
Notary Public, State of Idaho

My Commission Expires: 6-30-97



Residing at Burley, Idaho
My Commission Expires _____

Printed Name of Notary: Larry Roberts

OP

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

Section 5: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$

Section 8: N $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

Section 9: NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

TOWNSHIP 7 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
LINCOLN COUNTY, IDAHO

Section 12: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 13: NW $\frac{1}{4}$, SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 7 SOUTH, RANGE 23 EAST OF THE BOISE MERIDIAN,
LINCOLN COUNTY, IDAHO

Section 7: Lot 4

Section 18: Lots 1, 2, 3 and 4; NE $\frac{1}{4}$ NE $\frac{1}{4}$

COPY

Water Rights:

License #36-02403 for 1.76 CFS dated 10/12/1959 for irrigation.
License #36-02398 for 2.71 CFS dated 07/30/1959 for irrigation.
License #36-07883 for 11.48 CFS dated 12/10/1979 for irrigation.
License #36-07306C for 2.79 CFS dated 02/26/1973 for irrigation.
License #36-07306A for .50 CFS dated 02/26/1973 for irrigation.
License #36-02196 for 3.09 CFS dated 02/25/1953 for irrigation.
License #36-07493B for 2.00 CFS dated 08/08/1971 for irrigation.
License #36-07306B for .61 CFS dated 02/26/1973 for irrigation.
License #36-02195B for 1.81 CFS dated 02/25/1953 for irrigation.
License #36-07493A for 1.81 CFS dated 08/08/1971 for irrigation.
Beneficial Use #A36-13117 for .04 CFS dated 01/01/1963 for domestic use.

Permit #36-07976 for .03 CFS irrigation. .23 CFS for stockwater. .06 for domestic. (total .32 CFS) dated 04/02/1981.

COPY