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STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## Notice of Security Interest in a Water Right

And Request for Notification of a Change in Ownership or Any Proposed  
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right

Please print or type. Attach pages with additional information. Instructions are on the back of this page.  
Incomplete forms will be returned.

1. Water Right No(s): 35-4153 and 35-10559  
Adjudication Claim No(s): \_\_\_\_\_
2. The following **REQUIRED** information must be submitted with this form:
  - A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**
  - B) A **FEE** of **\$25.00** per water right or adjudication claim.
3. Name and Mailing Address of Person or Company holding Security Interest
 

**SUPPORT DATA**  
**IN FILE #** 35-4153

Rabo Agrifinance, Inc.  
10100 Trinity Parkway, Suite 400  
Stockton, CA 95219
4. Name of Water Right Owner/Claimant(s) Idaho Supreme Potatoes, Inc.
5. Expiration Date of Notification Period January 1, 2024
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) of Security Interest holder(s)   
(and title if applicable) Charles T. McElligott,  
Managing Director/Sr. Vice President/Western Region

RECEIVED

APR 27 2009

Department of Water Resources  
Eastern Region

### For Office Use Only

|                        |                     |                            |
|------------------------|---------------------|----------------------------|
| Received by <u>BMC</u> | Date <u>4/27/08</u> | Fee <u>\$50</u>            |
| Received by <u>BMC</u> | Date <u>4/27/08</u> | Receipt No. <u>E034974</u> |
| Processed by _____     | AJ Date _____       | WR _____ Date _____        |

Instrument # 604885

BINGHAM COUNTY, IDAHO  
03-30-2009 09:47:00 AM No. of Pages: 18  
Recorded for: ALLIANCE TITLE - BLACKFOO  
SARA J. STAUB Fee: 54.00  
Ex-Officio Recorder Deputy KBell  
Index To: MORTGAGE & FIXTURE FILING  
Electronically Recorded by Simplifile

RECORDED AT REQUEST OF:

RETURN RECORDED DOCUMENT TO  
RABO AGRIFINANCE, INC.  
10100 TRINITY PARKWAY, SUITE 400  
STOCKTON, CALIFORNIA 95219

3020811728-J

Loan F-412979

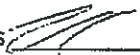
**IDAHO MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING**  
**(REVOLVING LINE OF CREDIT)**

THIS INSTRUMENT IS INTENDED AS A MORTGAGE AND AS A  
FIXTURE FILING UNDER THE IDAHO UNIFORM COMMERCIAL CODE.  
THIS INSTRUMENT IS TO BE FILED AND INDEXED AS  
BOTH A MORTGAGE AND AS A FIXTURE FILING

**THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (REVOLVING LINE OF CREDIT)** ("Mortgage"), dated as of the 4TH day of MARCH, 2009 is made between IDAHO SUPREME POTATOES, INC., AN IDAHO CORPORATION AS TO PARCELS 1,2,4,5,6,7,8,9 & 10 AND B/J LIVESTOCK, INC., AN IDAHO CORPORATION AS TO PARCELS 3,11,12,13,14,15,16 & 17, whose chief executive office or principal residence is located at 614 EAST 800 W, FIRTH, IDAHO 83236, hereinafter called "Mortgagor," and RABO AGRIFINANCE, INC., a corporation organized and existing under the laws of Delaware ("RAF"), whose address is P.O. Box 411995, St. Louis, Missouri 63141; RABOBANK, N.A. ("RNA"), whose address is P.O. Box 1845, El Centro, California 92244; and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "Rabobank Nederland" ("RN"), whose address is 245 Park Avenue, New York, New York 10167 (RAF, RNA and RN, unless otherwise indicated, together with their successors and assigns, are hereinafter, individually or collectively, referred to as "Mortgagee") and RAF as collateral agent (the "Collateral Agent") for the Mortgagees.

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the sum of THREE MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,300,000.00) with interest, all as set forth in Mortgagor's certain Promissory Note ("Note") of even date herewith maturing JANUARY 1, 2024.

**REVOLVING LINE OF CREDIT.** Specifically, in addition to the amount specified in the immediately preceding paragraph, and without limitation, this Mortgage secures a revolving line of credit under which, upon request by Mortgagor, Collateral Agent or Mortgagee, prior to the maturity date of this Mortgage, may make future advances to Mortgagor. Such future advances, together with interest thereon, are secured by this Mortgage in accordance with Idaho Code Section 45-108 as amended.

Initials 

604885

RECORDED AT REQUEST OF:

|                             |                        |
|-----------------------------|------------------------|
| Recorded Electronically     |                        |
| ID                          | 1204885                |
| County                      | Bingham                |
| Date                        | 03.30.2009 Time 9:47am |
| Simplifile.com 800.460.5657 |                        |

RETURN RECORDED DOCUMENT TO  
RABO AGRIFINANCE, INC.  
10100 TRINITY PARKWAY, SUITE 400  
STOCKTON, CALIFORNIA 95219

3020811728-J

Loan F-412979

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Initials 

NOW, THEREFORE, THIS MORTGAGE WITNESSETH, that, to secure the payment of the principal of and interest on the Note, along with (1) payment of the entire indebtedness and other obligations evidenced by the following promissory note(s), and/or guaranty(s) executed by Mortgagor to the applicable Mortgagee or order and all modifications, amendments, replacements, substitutions, extensions and renewals thereof along with any and all agreements with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions:

[ ] The following additional new or existing Promissory Notes:

- Note dated N/A in the stated principal amount of N/A Dollars
- Note dated N/A in the stated principal amount of N/A Dollars

[ ] A guaranty or guaranties dated as of N/A, guaranteeing the indebtedness of the borrowers as defined in the guaranty or guaranties.

(2) the payment of such additional loans or advances and such other debts, obligations and liabilities of every kind and character, of Mortgagor or the maker of the Note, evidenced by a promissory note, guaranty or otherwise, whether one or more, now existing or arising in the future, in favor of the applicable Mortgagee, whether direct or indirect, absolute or contingent, or originally payable to the applicable Mortgagee or any other person; PROVIDED HOWEVER, THAT, such other additional loans, advances, debts, obligations and liabilities shall be secured by this Mortgage only if the promissory note, guaranty, or other document evidencing such shall recite that it is to be secured by this Mortgage; and provided, however, if the Property includes Mortgagor's principal dwelling or is otherwise a one to four family dwelling, the Property will not secure any future loan, advance, debt, obligation or liability taken or incurred principally for personal, family or household purposes; (3) the payment of any substitute notes, renewals, reamortizations, conversion agreements and extensions of all indebtedness secured by this Mortgage; (4) payment and performance of each agreement of Mortgagor in this Mortgage; (5) payment of all sums expended or advanced by Collateral Agent or Mortgagee to protect the security of this Mortgage, said real property or said collateral, with interest thereon at the rate per annum after default or maturity set forth in said Promissory Note or any Credit Agreement (as hereinafter defined); and (6) all obligations as defined in or provided for in any Credit Agreement, and in consideration of the premises, the Mortgagor by these presents does grant, bargain, sell, convey, transfer, assign, mortgage, pledge, warrant and confirm unto the Collateral Agent and Mortgagee all the property (the "Property") hereinafter described, to wit:

- I. The following described real property ("Real Estate") located in BINGHAM County, Idaho, to wit:

See attached Exhibit "A", which is incorporated herein by reference.

- II. Any and all fruit or nut bearing bushes, trees or vines presently or hereafter located on the above described real property. Mortgagor, Collateral Agent and Mortgagee hereby agree, acknowledge and confirm that such fruit or nut bearing bushes, trees or vines are part of the Real Estate and will remain a part of the Real Estate throughout the term of the loan made by Mortgagee to Mortgagor that is secured by this Mortgage.
- III. Certificates numbered N/A representing N/A shares of the capital stock of N/A and the water rights represented thereby (If no entries, this granting clause is inapplicable).
- IV. All water rights represented by Permit or License No. 35-4153 AND 35-10559 issued by the Idaho Department of Water Resources. (If no entries, this granting clause is inapplicable).
- V. All water rights represented by Claim No. N/A filed in the Snake River Basin Adjudication proceeding now pending in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls under Case No. N/A (If no entries, this granting clause is inapplicable).

**TOGETHER WITH** (1) all easements, rights-of-way and rights appurtenant to said Real Estate or used in connection therewith or as a means of access thereto; (2) all tenements, hereditaments and appurtenances thereto, including all water, water rights, and drainage rights appertaining thereto; (3) Mortgagor's interest as lessor in all leases (including, but not limited to, oil, gas and mineral leases) affecting said Real Estate; (4) all buildings, structures, improvements, fixtures, attachments, appliances, equipment, machinery and other articles now or hereafter erected on, affixed or attached to, said Real Estate which are real property, and all substitutions, replacements, additions and accessions thereof or thereto; (5) all rents, issues, profits, royalties, bonuses, income and other benefits derived from or produced by said Real Estate (subject, however, to the assignment of rents and profits to Collateral Agent or Mortgagee herein); and (6) all right, title, estate, interest, and other claim or demand, including, without limitation, all claims or demands to the proceeds of all insurance now or hereafter in effect with respect to said Real Estate, which Mortgagor now has or may hereafter acquire in said Real Estate, and all awards made for the taking by condemnation or the power of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of said Real Estate.

**AND ALSO**, Mortgagor, as debtor, irrevocably grants and assigns to Collateral Agent for the benefit of Mortgagee, as secured party, a security interest in all of the following collateral which is personal property now or hereafter owned by Mortgagor or in which Mortgagor now or hereafter has any rights and which is now or hereafter affixed or attached to, or produced from, or used in connection with said Real Estate, including but not limited to: All personal property described in Exhibit "B" attached hereto and made a part hereof and articles of personal or mixed property of every kind and nature whatsoever, including, without limitation, all (a) goods, including without limitation, irrigation equipment and machinery (excluding, however, automobiles, trucks, tractors, trailers, wheeled vehicles, planting and tillage equipment), watering and irrigation apparatus, pumps, motors, generators, pipes, center pivot irrigators and

sprinklers, windmills, fences, fixtures, fittings, appliances, farm products, crops growing or to be grown, timber standing or to be cut, minerals or the like (including oil and gas), raw materials, inventory and work in process; (b) all water stock and water rights and, to the extent listed on the attached Exhibit "B", all investment property, including without limitation, certificated and uncertificated securities, securities entitlements, securities accounts and commodities accounts, including all stock, bonds and commodities contracts; (c) all permits and licenses used in the operation of the Real Estate and, to the extent listed on the attached Exhibit "B", general intangibles, including without limitation payment intangibles and software; (d) accounts, including without limitation all of Mortgagor's right to any payment arising out of the sale, lease or license of all kinds of tangible and intangible personal property, contract rights, general intangibles, instruments, documents, chattel paper, accounts receivable, deposits, fees, charges and other payments, income and cash receipts that are otherwise described in this paragraph; (e) personal property of the same general kind or class as otherwise described in this paragraph which Mortgagor may now own or hereafter acquire, wherever located, used or usable in the operation of or relating to the Real Estate; and all products and proceeds from the sale or other disposal thereof, including, without limitation, all payments under any insurance policies, substitutions and replacements, additions, accessions of or to said collateral and any indemnity, warranty or guaranty relating to any of the foregoing (all of the foregoing property shall be hereinafter collectively referred to as the "Collateral"; the Real Estate and the Collateral shall hereinafter be collectively referred to as the "Property"). PROVIDED HOWEVER, that nothing in this Deed of Trust shall prevent Mortgagor from obtaining secured crop financing which may include the perfection of a lien by the crop lender on the crops growing or to be grown for a period not to exceed the beginning of the next crop year. If Mortgagor exercises its right to place a single crop lien on the crops grown or to be grown on the Real Estate hereunder, such crop lien shall automatically be a superior lien to the lien on such crop created hereby without the need for any consent or subordination from Collateral Agent or Mortgagee.

**TO HAVE AND TO HOLD** the same unto the Collateral Agent for the benefit of Mortgagee, their successors and assigns, forever.

**PROVIDED ALWAYS**, that if the Mortgagor, his heirs, representatives, successors or assigns, shall pay unto the Mortgagee, its successors or assigns, the said sum of money mentioned in the notes and guaranties described above (collectively the "Note") and the interest thereon at the times and places and in the manner specified in the Note, or any credit agreement or similar document between Mortgagor and any Mortgagee (the "Credit Agreement") and all other sums that may become due and owing to the Collateral Agent or Mortgagee pursuant to any of the terms, covenants and conditions hereof, and perform all the conditions and covenants contained in this Mortgage, then these presents and the estate hereby granted shall cease, determine and be void and shall be released by the Collateral Agent or Mortgagee at the expense of the Mortgagor, otherwise to remain in full force and effect.

**AND SUBJECT** to the covenants and conditions hereinafter set forth.

**FIRST.** The Mortgagor hereby covenants and agrees, to the extent permitted by law, as follows: (a) to pay promptly when due the principal and interest and other sums of money

provided for in the Note, the Credit Agreement and this Mortgage, or either; (b) to pay all taxes, assessments and other charges (including ditch, canal, reservoir, or other water charges, taxes or assessments) imposed by law upon the Property, the Mortgagor's interest therein, or upon the Mortgage or the Note; provided however, in the event of the passage of any law changing the laws for the taxation of mortgages or debts secured by mortgage so as to affect this Mortgage, the entire indebtedness secured hereby shall, at the option of the Collateral Agent or Mortgagee, become due and payable; (c) to keep the Property and improvements thereon in good condition and repair and not to commit or suffer waste thereof, and except as authorized in any schedule annexed hereto and forming a part hereof, neither to remove nor permit the removal of any timber, buildings, oil, gas, minerals, stone, rock, clay, fertilizer, gravel or top soil without the prior written consent of the Collateral Agent or Mortgagee; and (d) to maintain and deliver to the Collateral Agent or Mortgagee policies of insurance against such hazards on the buildings now or hereafter located on the Property as the Collateral Agent or Mortgagee may require from time to time, in such companies and amounts and with such loss payable clauses as shall be satisfactory to the Collateral Agent or Mortgagee; in the event of loss the Collateral Agent or Mortgagee is expressly authorized to settle or compromise claims under said policies and the proceeds shall be paid to the Collateral Agent and/or Mortgagee who may apply same or any part thereof on the indebtedness secured hereby or towards the reconstruction or repair of said buildings or release same to the Mortgagor; (e) to pay any lien, claim or charge against the Real Estate which might take precedence over the lien hereof; (f) to pay on demand all legal expenses, title searches, or attorney fees reasonably incurred or paid by the Collateral Agent or Mortgagee to collect the Note or foreclose or protect the lien of the Mortgage; (g) in the event the Mortgagor shall fail to comply with the provisions of (a) through (f) above, the Collateral Agent or Mortgagee may take such action as is necessary to remedy such failure and all sums paid by the Collateral Agent or Mortgagee pursuant hereto with interest at the rate hereinafter provided shall constitute a lien upon the Property, shall be secured by this Mortgage, and shall be immediately due and repayable to the Collateral Agent or Mortgagee; (h) if the Real Estate or any portion thereof shall be taken or damaged under the power of eminent domain, the award for any property so taken or damaged (including severance damages to the remaining premises) shall be paid to the Collateral Agent or Mortgagee and applied in full or in part at the option of the Collateral Agent or Mortgagee in reduction of the indebtedness hereby secured; (i) the Mortgagee shall have the right to inspect the Property at such reasonable times as the Collateral Agent or Mortgagee may desire to determine the Mortgagor's compliance with the covenants contained in this Mortgage; (j) the Collateral Agent or Mortgagee may release from the lien hereof any part of the above described Property without requiring any consideration therefor, and (k) Mortgagor is lawfully seized of the Real Estate in fee simple, the same is free from encumbrances except as may otherwise be specifically noted herein or waived in writing by the Collateral Agent or Mortgagee, Mortgagor will execute or procure any further necessary assurances of title and does hereby warrant generally the title to the Real Estate and will forever defend the same against the claims and demands of all persons whomsoever, and his separate estate, whether vested, contingent or in expectancy, is hereby conveyed and he does hereby expressly waive, release and relinquish all rights and benefits of any homestead, dower, curtesy, appraisement, exemption and stay laws of this state. It is agreed that the interest provided for in subsection (g) above shall be at the rate set forth in the Note or any Credit Agreement for times when an event of default has occurred or the highest lawful rate permitted by contract under applicable law, whichever is lesser.

**SECOND.** If the Mortgagor shall default in the payment of the Note or in the performance of any of the covenants or agreements herein or in the Note, the Credit Agreement or in any agreement collateral hereto contained, or if the then owner of the Property shall make an assignment for the benefit of creditors or shall file a petition for relief under the federal Bankruptcy Code as now or hereafter in effect, or any successor thereto, or shall be adjudicated bankrupt or insolvent, or if any receiver, liquidator or trustee shall be appointed for such then owner or any of his property, then in such event, the entire indebtedness hereby secured shall, at the option of the Collateral Agent or Mortgagee and without notice to the Mortgagor, be due and collectible at once by judicial foreclosure proceedings or as otherwise provided by law, or, when available under applicable statutes or rules of practice, by advertisement and sale, and in such an event this provision shall be deemed as authorizing and constituting a power of sale as mentioned in said statutes or rules; that in addition to the rights and remedies herein, the Collateral Agent or Mortgagee is hereby authorized and empowered at its option to exercise forthwith and from time to time any further rights and remedies available to the Collateral Agent or Mortgagee under the laws of the state wherein the Property is situate, such as the right to collect the rents, issues and profits, or to have a receiver appointed to collect the same.

**THIRD.** The following schedules are annexed hereto and made a part hereof (if no entry, this section is inapplicable). Exhibit "A" – Legal Description and Exhibit "B" – Personal Property.

**FOURTH.** Mortgagor acknowledges that his/her current financial position is an important factor in Mortgagee's decision to advance the funds represented by the aforementioned Note. Mortgagor therefore has agreed, in order to provide assurance to Collateral Agent and Mortgagee with regard to Mortgagor's financial position, that it shall be an event of default for Mortgagor to allow any lien or encumbrance other than this Mortgage and the lien for taxes which are not yet due and payable to be placed on all or any part of the Real Estate and allowed to remain a lien for 30 day(s) EXCEPT a lien junior and inferior to this Mortgage may be placed on all or a part of said property in favor of N/A in a principal amount not to exceed ZERO DOLLARS (\$0) to be placed of record not later than N/A.

**FIFTH.** The covenants herein contained shall bind, and the benefits and advantages thereof shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. In this Mortgage, unless the context otherwise requires, words in the singular number include the plural and in the plural include the singular, and words in the masculine gender include the feminine and the neuter. Whenever the term "Mortgagor" shall include more than one person or entity, their liability hereunder shall be joint and several.

**SIXTH.** Mortgagor shall not suffer any waste of the Property and will not permit or conduct either the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act, or the disposal on the Real Estate of petroleum or any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act, and will perform all remedial actions reasonably necessary as the result of the presence of any such hazardous wastes, petroleum or hazardous substances on, at or near the Real Estate. Mortgagor shall be personally liable for and agrees to indemnify,

defend with counsel satisfactory to Collateral Agent and Mortgagee and hold Collateral Agent and Mortgagee harmless against any loss, damage, or liability suffered by the Collateral Agent and Mortgagee, including but not limited to attorney's fees, due to the presence of any such hazardous waste, petroleum or hazardous substance at, on or near the Real Estate, and Mortgagor shall be liable for compliance (and for costs associated therewith) with any directive or order by any governmental entity relating to the presence of any such hazardous waste, petroleum or hazardous substance on, at, or near the Real Estate. Mortgagor will deliver promptly to the Collateral Agent or Mortgagee, (i) copies of any documents received from the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning the Mortgagor's operations upon the Real Estate; and (ii) copies of any documents submitted by the Mortgagor to the United States Environmental Protection Agency or any state, county or municipal environmental or health agency concerning its operations on the Real Estate. Mortgagor agrees that, notwithstanding any provision to the contrary in this Mortgage, this indemnification and hold harmless shall survive the release or reconveyance of this Mortgage, whether pursuant to payment in full of the Note, or judicial or non-judicial foreclosure under this Mortgage, or otherwise.

**SEVENTH.** Mortgagor covenants and agrees to keep perfected and in good status any State of Idaho water permits or water company stock pertaining to water from all irrigation sources which is used in connection with the irrigation of the Real Estate. Mortgagor covenants and agrees to keep in good status any other existing or future water rights, licenses and/or permits which are used in connection with the irrigation of the Real Estate. Mortgagor agrees to complete appropriation and all other requirements necessary to obtain the issuance of a license for water permits issued to Mortgagor, in order that such water may legally be used and continue to be used for the irrigation of the Real Estate. Upon Mortgagor's failure to comply with the covenants and agreements set forth in this paragraph, Collateral Agent or Mortgagee, without prejudice to any other rights given herein, may at its option, either in its own name or in the name of Mortgagor, take any and all action necessary to protect and maintain the permits, licenses, water and water rights referred to herein. Mortgagor does hereby irrevocably constitute and appoint Collateral Agent and Mortgagee as Mortgagor's true and lawful agent and attorney with full power and authority, in the name of Mortgagor or otherwise, to take any and all action necessary to preserve and protect the permits, licenses, water and water rights referred to herein. Mortgagor covenants and agrees to promptly provide copies of all documents relating to such permitting and licensing process to Collateral Agent or Mortgagee.

**EIGHTH.** With respect to Property which may now or hereafter be characterized by law as personal property, this Mortgage shall constitute a Security Agreement between Mortgagor, Collateral Agent and Mortgagee, and, cumulative of all other rights of Collateral Agent and Mortgagee. Hereunder, Collateral Agent or Mortgagee shall have all rights conferred upon secured parties by the Uniform Commercial Code ("UCC") as in effect from time to time in the state where the Collateral is located except to the extent the UCC provides for the application of the law of the state of location of the Mortgagor in which event the UCC as in effect from time to time, in such state shall apply. This Mortgage shall be effective as a Financing Statement filed as a fixture filing from the date of its filing for record in the Real Estate Records of the county in which the Real Estate is located. Until the lien of this Mortgage is released or satisfied of record, Mortgagor authorizes Collateral Agent or Mortgagee to file one or more financing

statements and continuation statements, at Mortgagor's expense, describing the Collateral, hereby ratifies any such financing statement or continuation statement previously filed by Collateral Agent or Mortgagee, and agrees, if requested by Collateral Agent or Mortgagee so to do, to execute one or more Financing Statements covering such Collateral, in the manner and form required by law and to the satisfaction of Collateral Agent or Mortgagee. On demand, Mortgagor will promptly pay all costs and expenses of filing Financing Statements, continuation statements, partial releases and termination statements deemed necessary or appropriate by Collateral Agent or Mortgagee to establish and maintain the validity and priority of the security interest of Collateral Agent and Mortgagee or any modification thereof, and all costs and expenses of any searches reasonably required by Collateral Agent or Mortgagee. Collateral Agent or Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such Collateral, and it is expressly agreed that if upon default Collateral Agent or Mortgagee should proceed to dispose of the Collateral in accordance with the provisions of the UCC ten (10) days' notice by Collateral Agent or Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Collateral Agent or Mortgagee may at its option dispose of the Collateral in accordance with Collateral Agent's or Mortgagee's rights and remedies in respect of the Real Estate pursuant to the provisions of this Mortgage in lieu of proceeding under the UCC. Mortgagor hereby warrants, represents and covenants that (a) the Collateral will be kept on or at the Real Estate described herein and Mortgagor will not remove the Collateral from the Real Estate without the prior written consent of Collateral Agent or Mortgagee, except such portions or items of Collateral which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor; (b) Mortgagor's chief executive officer or principal residence is Mortgagor's address set forth in the first paragraph of this Mortgage; (c) Mortgagor's state of organization, if applicable, is as set forth in the first paragraph of this Mortgage; and (d) Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage.

**NINTH.** It is understood and agreed that a material factor in inducing the Mortgagee to make this loan to the Mortgagor is the unique status of the agricultural industry and the expertise and financial strength of the Mortgagor. In the event the Mortgagor ceases to own the mortgaged property, the security for this loan is thereby deemed to be impaired. Consequently, in the event that all or any portion of the Real Estate is sold, contracted for sale, leased with the option to purchase, conveyed, alienated, transferred, or if the Mortgagor is a corporation, or a partnership, or a limited liability company more than forty-nine percent (49%) of either the corporation stock, partnership interests or member interests is sold, contracted for sale, conveyed, alienated, transferred, or otherwise disposed of, whether voluntary or involuntary, by operation of law or otherwise to persons other than owners at the date of this Mortgage and their heirs prior to the time the indebtedness secured hereby shall have been paid, then, at the option of the Collateral Agent or Mortgagee, the entire said indebtedness shall become due and payable and the Collateral Agent or Mortgagee may exercise any of its rights and remedies provided for in the Mortgage.

**TENTH.** Mortgagor, its successors and assigns and each of them, represent and warrant that the Property does not represent the proceeds of some form of unlawful activity under any state, federal or foreign law.

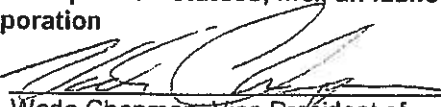
**ELEVENTH.** Mortgagor, its successors and assigns and each of them, represent and warrant that either:

(a) The Property does not contain and will not be cultivated to grow any variety of perennial crops, or plants, vines, trees, nuts and/or fruit that produce crops in more than one crop year (hereinafter "Permanent Plantings") that is or may be subject to intellectual property rights under U.S. or foreign patent, copyright or trademark laws, the Plant Variety Protection Act or similar laws or subject to license from the holder of any such intellectual property rights (all of the foregoing being hereinafter referred to as "IP Rights"); or

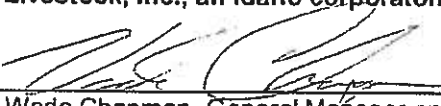
(b) To the extent the Property does contain or in the future is cultivated to grow any variety of Permanent Plantings that is or may be subject to IP Rights, Mortgagor represents and warrants that Mortgagor is or shall be the owner of such IP Rights free and clear of any claim, right, title, interest or lien of any other person, Mortgagor has or shall notify Mortgagee in writing of the existence of such IP Rights and Mortgagor does hereby, has or shall grant Mortgagee a security interest in and a lien upon all of Mortgagor's right, title and interest in, to and under, whether now owned or hereafter created in IP Rights, all cash and non-cash proceeds and products of the IP Rights and all causes of action, past, present and future for infringement, misappropriation or dilution of any of the IP Rights or unfair competition regarding the same.

**IN WITNESS WHEREOF**, each of the undersigned has signed, sealed and delivered this Mortgage as of the day, month and year first above written.

**Idaho Supreme Potatoes, Inc., an Idaho corporation**

By:   
Wade Chapman, Vice President of  
Operations

**B/J Livestock, Inc., an Idaho corporation**

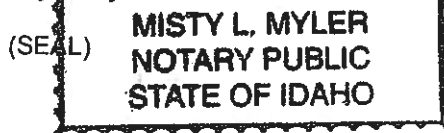
By:   
Wade Chapman, General Manager and  
Vice President

(IDAHO CORPORATE ACKNOWLEDGMENT)

STATE OF IDAHO )  
 ) SS:  
COUNTY OF Bingham )

On this 17th day of March, 2009, personally appeared Wade Chapman, known or identified to me to be the Vice President of Idaho Supreme Potatoes Inc., the corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same.

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



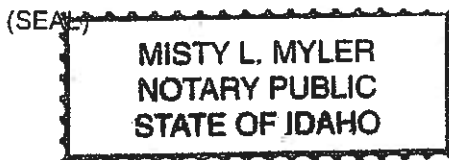
Misty L. Myler  
Notary Public for Idaho  
Residing at Blackfoot  
My commission expires 3/25/2010

(IDAHO CORPORATE ACKNOWLEDGMENT)

STATE OF IDAHO )  
 ) SS:  
COUNTY OF Bingham )

On this 17th day of March, 2009, personally appeared Wade Chapman, known or identified to me to be the General Manager & VP of B/J Livestock, Inc., the corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same.

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



Misty L. Myler  
Notary Public for Idaho  
Residing at Blackfoot  
My commission expires 3/25/2010

RVSD 06-18-08  
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**EXHIBIT "A"**

**Legal Description**

**Parcel 1:**

All that portion of Lots 5, 6, 7, and the West Half of the Southeast Quarter of Section 18, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, lying between the Blackfoot Canal and the Reservation Canal.

**Parcel 2:**

A portion of the Southwest Quarter of the Northeast Quarter of Section 18, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, described as follows:  
Commencing at the Southwest Corner of the Southwest Quarter of the Northeast Quarter of said Section 18, and running thence North 775 feet along the West boundary line of said Southwest Quarter of the Northeast Quarter to a point where the West line intersects the South Bank of the Blackfoot Canal; thence 90° East 1220 feet, more or less, to the West right-of-way of the Idaho Canal; thence in a Southerly direction following along the West right-of-way line of said Idaho Canal to its intersection with the South boundary line of said Southwest Quarter of the Northeast Quarter; thence West along the South boundary line to the Point of Beginning.

**Parcel 3:**

Part of Section 18, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, described as:

Beginning at a point which is North 89°23'05" West 506.07 feet along the Section line from the Northeast Corner of said Section 18 and running thence South 56.36 feet; thence South 43°48'59" West 330.82 feet; thence South 20°53'43" West 308.22 feet; thence South 41°03'39" West 277.79 feet; thence South 19°29'57" West 104.07 feet; thence South 03°50'58" East 120.36 feet; thence North 89°45'45" West 133.373 feet to a point on the Easterly Bank of the Government or Reservation Canal; thence North 81°07'42" West 76.62 feet to a point on the Westerly side of a Service Road on the West Bank of the Government Canal; thence along the centerline of the Government Canal which is approximately 40 feet Easterly on the following described courses; South 14°41'43" West 120.27 feet; thence South 25°21'07" West 239.36 feet; thence South 20°40'01" West 229.79 feet; thence South 12°52'44" East 344.73 feet; thence Westerly approximately 40 feet to a point on the Westerly side of a Service Road on the Canal Bank, thence along a fence line North 89°07'19" West 1211.49 feet to a fence corner on the Southerly side of the Blackfoot Canal; thence North to the centerline of the Blackfoot Canal; thence Northerly and Easterly along the centerline of the Blackfoot Canal to the North line of Section 18; thence South 89°23'05" East 442.04 feet along the Section line to the Point of Beginning.

Parcel 4:

A portion of the Northeast Quarter of Section 18, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, described as:

Beginning at a Brass Cap Monument on the Easterly Bank of the Snake River which is North 89°23'05" West 1478.03 feet from the Northeast corner of said Section 18, and running thence South 05°21'20" West 901.12 feet along said Easterly Bank of the Snake River; thence South 44°28'38" East 78.03 feet; thence South 54°35'17" East to the centerline of the Blackfoot Canal, thence Northerly and Easterly along the centerline of the Blackfoot Canal to the North line of Section 18; thence North 89°23'05" West along the Section line to the Point of Beginning. EXCEPTING: A right-of-way along an existing road which is adjacent to and West of the Blackfoot Canal, extending from the County Road along the North Section Line Southerly along the Westerly side of said Blackfoot Canal to a point on the Southwesterly line of the above described property.

Parcel 5:

Beginning at the Southeast corner of Lot 3 of Section 19, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, thence North 1740 feet; thence North 23° West 767 feet; thence North 2° West 335 feet to the North line of Lot 2 of said Section 19; thence West along said North line of said Lot 2 to the East right-of-way of the Blackfoot Canal; thence in a Southwesterly direction following along the East right-of-way line of said Blackfoot Canal to its intersection with the South line of said Lot 2; thence South 4° West on the East side of said Blackfoot Canal 329 feet; thence South 6° East 785 feet; thence South 22° East 453 feet along the East side of the said Blackfoot Canal; thence East 657 feet to the Point of Beginning. EXCEPTING THEREFROM: Any portion of the following described property if the same is included on the above: Beginning at a point in said Section 19 where the Yellowstone Highway crosses the Blackfoot Canal, thence Northeasterly along said highway right-of-way a distance of 423 feet; thence West 436 feet; thence Southeasterly along the right-of-way of said Blackfoot Canal a distance of 567 feet, more or less, to the Point of Beginning. ALSO EXCEPTING THEREFROM: Highway 91 and the Railroad and any portion South of the Railroad.

Parcel 6:

Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho  
Section 7: Lots 7, 8, 9, 12 and that portion of the West Half of the Northeast Quarter lying West of the Blackfoot Canal.

Parcel 7:

A portion of Section 7, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, described as:  
Lots 5 and 6, and Beginning at the Southeast corner of said Lot 5 and running thence East to the West Bank of the Blackfoot Canal; thence in a Northwesterly direction along said West bank to the Northeast corner of said Lot 5; thence South 80 rods to the Place of Beginning;

ALSO : All that part of the Northeast Quarter of the Southeast Quarter lying and being West of the right-of-way of the Reservation Canal, and all that part of the Southeast Quarter of the Northeast Quarter lying and being West of the Blackfoot Canal right-of-way.

EXCEPTING THEREFROM: That portion of Lot 5 lying West of the Snake River.

ALSO EXCEPTING THEREFROM: A portion of the Southeast Quarter of Section 7, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, described as:

Beginning at a point on the North line of a County Road that is North 89°34'00" West 1018.37 feet along the Section line and North 00°26'00" East 25.00 feet from the Southeast corner of said Section 7, and running thence North 89°34'00" West 191.41 feet along said North line, thence North 00°26'00" East 264.57 feet, thence South 89°43'00" East 137.88 feet to the West Bank of the Blackfoot Canal, thence South 11°00'21" East 269.93 feet along said Canal to the Point of Beginning.

Parcel 8:

A portion of the Southeast Quarter of Section 7, Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho, described as:

Beginning at a point on the North line of a County Road that is North 89°34'00" West 1018.37 feet along the Section line and North 00°26'00" East 25.00 feet from the Southeast corner of said Section 7, and running thence North 89°34'00" West 191.41 feet along said North line, thence North 00°26'00" East 264.57 feet, thence South 89°43'00" East 137.88 feet to the West Bank of the Blackfoot Canal, thence South 11°00'21" East 269.93 feet along said Canal to the Point of Beginning.

Parcel 9:

Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho

Section 6: Lots 9 and 13 and that portion of Lot 10 lying West of the Blackfoot Canal.

Parcel 10:

Township 1 South, Range 37 East, Boise Meridian, Bingham County, Idaho

Section 6: That portion of Lot 10 lying West of the centerline of Reservation Canal and East of the Blackfoot Canal and that portion of the Southeast Quarter of the Southeast Quarter, lying West of the centerline of Reservation Canal.

Parcel 11:

Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho

Section 28: South Half of the Southwest Quarter and Section 33: North Half of the Northwest Quarter, North and West of the County Road.

EXCEPTING THEREFROM: Beginning at the Northwest corner of said Section 33, thence East 2,640 feet to the Point of Beginning; thence North 295 feet; thence West 975 feet; thence South 489 feet; thence Northeasterly along the North line of the County Road to the Point of Beginning.

ALSO EXCEPTING THEREFROM: The right-of-way for the Great Western Canal.

ALSO EXCEPTING THEREFROM: Part of the Southeast Quarter Southwest Quarter Section 28 Township 1 South Range 36 East, Boise Meridian, Bingham County, Idaho, described as: Commencing at the Southwest corner of Section 28; thence South 89°33'20" East 1922.00 feet along the South line of Section 28 to the Point of Beginning; thence North 00°26'40" East 327.00 feet; thence South 89°33'20" East 225.00 feet; thence South 00°26'40" West 327.00 feet to a point on the South line of the Southwest Quarter of Section 28; thence North 89°33'20" West 225.00 feet along the Section line to the Point of Beginning.

ALSO EXCEPTING THEREFROM: A portion of Southeast Quarter Southwest Quarter of Section 28, Township 1 South, Range 36, East, Boise Meridian, Bingham County, Idaho. Beginning at the Southwest Quarter corner of said Section 28, thence East 1959 feet to the Point of Beginning; thence North 327 feet; thence East 225 feet; thence South 327 feet; thence West 225 feet to the Point of Beginning.

Parcel 12:

Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho  
Section 29: NE¼SW¼ and SE¼

EXCEPT: A strip of land 400.0 feet wide, being 200.0 feet on each side of the following described center line of Interstate Project No. I-15-2(7)96 Highway Survey as shown on the plans thereof now on file in the Office of the Department of Highways of the State of Idaho and lying over and across the NE¼SW¼ and the NW¼SE¼ of Section 29, Township 1 South, Range 36 East, Boise Meridian; further described as: Beginning at a point in the South line of the NE¼SW¼ of Section 29, Township 1 South, Range 36 East, Boise Meridian, at approximate Station 1662+70.0 of said Highway Survey, which Station is a point on tangent approximately 250.0 feet East from the SW Corner of the NE¼SW¼ of said Section 29; thence North 35°17'51" East 1580.0 feet to a point in the North line of said NE¼SW¼ at approximate Station 1678+50.0 of said Highway Survey, which Station is a point on tangent approximately 149.0 feet West from the NE corner of the NE¼SW¼ of said Section 29.

ALSO EXCEPT: A parcel of land being on both sides of the centerline of Interstate 15, Project No. I-15-2(7)96 Highway Survey as shown on the plans thereof now on file in the Office of the Department of Highways of the State of Idaho, and being a portion of the NE¼SW¼ and the W¼SE¼ of Section 29, Township 1 South, Range 36 East, Boise Meridian, described as follows, to-wit: Beginning at the NW corner of the NE¼SW¼ of Section 29, Township 1 South, Range 36 East, Boise Meridian, thence South 0°10'05" East along the West line of said NE¼SW¼, a distance of 1286.85 feet to the SW corner of thereof; thence North 89°49'55" East along the South line of said NE¼SW¼, a distance of 1300.00 feet to the NW corner of the SW¼SE¼ of said Section 29; thence South 0°10'05" East along the West line of said SW¼SE¼, a distance of 435.98 feet to a point in the line parallel with and 1100.0 feet Southeasterly from the centerline and opposite Station 1665+18 34 of said Interstate 15, Project No. I-15-2(7)96 Highway Survey; thence North 35°17'51" East along said parallel line 2115.29 feet to a point in the North line of the NW¼SE¼ of said Section 19; thence South 89°49'55" West along said North line and the North line of said NE¼SW¼, a distance of 2527.32 feet to the Place of Beginning.

Parcel 13:

Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho  
Section 36: Southeast Quarter of the Northeast Quarter, North Half of the Southeast Quarter  
EXCEPTING THEREFROM: The Canal right-of-way

ALSO EXCEPTING THEREFROM: That portion of the Southeast Quarter of the Northeast Quarter, lying Easterly of Reservation Canal.

ALSO EXCEPTING THEREFROM: Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho, Section 36: Commencing at the Northwest Corner of the Southeast Quarter of Section 36; running thence South 524 feet; thence East 248 feet; thence North 524 feet; thence West 248 feet to the Point of Beginning.

ALSO EXCEPTING THEREFROM: Part of the North Half of the Southeast Quarter of Section 36, Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho, described as: Beginning at a point that is South 0°11'00" West 786.53 feet along the longitudinal centerline through said Section 36 from the Center Quarter corner and running thence South 89°42'07" East 360.00 feet; thence South 0°11'00" West 232.50 feet; thence North 89°42'07" West 360.00 feet to the longitudinal centerline through said Section 36; thence North 0°11'00" East 232.50 feet along said centerline to the Point of Beginning.

ALSO EXCEPTING THEREFROM: Part of the North Half of the Southeast Quarter of Section 36, Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho, described as: Beginning at a point that is South 0°11'00" West 574.00 feet along the longitudinal centerline through said Section 36 from the Center Quarter corner and running thence South 89°49'00" East 250.00 feet; thence South 0°11'00" West 213.04 feet; thence North 89°42'07" West 250.00 feet to said longitudinal centerline; thence North 0°11'00" East 212.53 feet along said centerline to the Point of Beginning.

ALSO EXCEPTING THEREFROM: Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho, Section 36; commencing at a point 1080 feet South from the Northwest corner of the Southeast Quarter of Section 36; running thence South 240 feet; thence East 960 feet; thence North 240 feet; thence West 960 feet to the Point of Beginning.

Parcel 14:

Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho  
A parcel lying in the Northwest Quarter of the Southeast Quarter of Section 32 more particularly described as that portion of the following tract lying North and West of Berggren Lane, a County Road: Beginning at the Northeast corner of the Southeast Quarter of said Section, and running thence West 121 rods; thence running South 44.5 rods; thence running East 121 rods; thence running North 44.5 rods to the Place of Beginning.

EXCEPTING THEREFROM: Portions of Section 32, Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho more particularly described as: Beginning at the center of Section 32 running thence East 527 feet, thence South 734 feet, thence East 53 feet to Berggren Lane; thence Northeasterly along Berggren Lane 404 feet, thence Northwesterly approximately 458 feet to a point which is 717 feet East of the Center of Section 32, thence North 660 feet, thence West 717 feet, thence South 660 feet to the Point of Beginning.

ALSO EXCEPTING THEREFROM: Part of the East Half Section 32 Township 1 South Range 36 East, Boise Meridian, Bingham County, Idaho, described as:

Commencing at the Southwest corner of Section 32; thence South 89°34'47" East 2624.52 feet along the Section line to the South Quarter corner of Section 32; thence North 00°40'05" East 2651.97 feet to the Northwest corner of the Southeast Quarter; thence South 89°42'14" East 717.00 feet along the North line of the Southeast Quarter to the Point of Beginning. Said Point of Beginning being on the East line of deed Instrument 434108; thence North 00°40'05" East 660.00 feet parallel with the West line of the Northeast Quarter along said East line; thence South 01°08'54" East 654.95 feet to a point in an existing fence line; thence South 24°02'14" East 443.95 feet along said fence line to a point on the Northerly right-of-way line of Berggren Lane; thence South 40°38'19" West 9.53 feet along said right-of-way line to the Southeast corner of Deed Instrument 434108; thence North 25°37'17" West 451.99 feet (of record Northwesterly 458 feet) along said deed to the Point of Beginning.

Parcel 15:

Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho  
Section 32: Southwest Quarter of the Northeast Quarter lying North and West of Berggren Lane, a County Road

EXCEPTING THEREFROM: Portions of Section 32, Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho more particularly described as: Beginning at the center of Section 32 running thence East 527 feet, thence South 734 feet, thence East 53 feet to Berggren Lane; thence Northeasterly along Berggren Lane 404 feet, thence Northwesterly approximately 458 feet to a point which is 717 feet East of the Center of Section 32, thence North 660 feet, thence West 717 feet, thence South 660 feet to the Point of Beginning.

ALSO EXCEPTING THEREFROM: Part of the East Half Section 32 Township 1 South Range 36 East, Boise Meridian, Bingham County, Idaho, described as:

Commencing at the Southwest corner of Section 32; thence South 89°34'47" East 2624.52 feet along the Section line to the South Quarter corner of Section 32; thence North 00°40'05" East 2651.97 feet to the Northwest corner of the Southeast Quarter; thence South 89°42'14" East 717.00 feet along the North line of the Southeast Quarter to the Point of Beginning. Said Point of Beginning being on the East line of deed Instrument 434108; thence North 00°40'05" East 660.00 feet parallel with the West line of the Northeast Quarter along said East line; thence South 01°08'54" East 654.95 feet to a point in an existing fence line; thence South 24°02'14" East 443.95 feet along said fence line to a point on the Northerly right-of-way line of Berggren Lane; thence South 40°38'19" West 9.53 feet along said right-of-way line to the Southeast corner of Deed Instrument 434108; thence North 25°37'17" West 451.99 feet (of record Northwesterly 458 feet) along said deed to the Point of Beginning.

Parcel 16:

Township 1 South, Range 36 East, Boise Meridian, Bingham County, Idaho  
Section 32: all that portion of the East Half of the Northeast Quarter lying North of the Great Western Canal.

EXCEPTING THEREFROM: Commencing at the Northeast corner of Section 32, thence South along the Section line 528 feet, thence West 235 feet, thence North 528 feet, thence East 235 feet to the Point of Beginning.

Parcel 17

Township 1 South, Range 36 east, Bingham County, Idaho

Section 32: Commencing at the Northeast corner of Section 32, thence South along the Section line 528 feet, thence West 235 feet, thence North 528 feet, thence East 235 feet to the Point of Beginning.

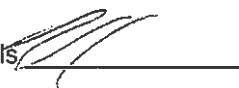
A handwritten signature in black ink, consisting of several stylized, overlapping loops and strokes, positioned above a horizontal line.

Exhibit "B"

**Personal Property**

**Water Rights:**

1. All water rights represented by Permit Nos. 35-4153 and 35-10559 issued by Idaho Department of Water Resources.