

Western Mortgage & Realty Company

6610 W. Court Street, Suite B, P.O. Box 3110, Pasco Washington, 99302-3110

Phone: (800) 897-2726, Fax: (509) 545-4804

January 30, 2009

Mr. Allen Merritt, PE
Southern Regional Manager
State of Idaho
Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, Idaho 83301-3380

RECEIVED
FEB 05 2009
DEPT. OF WATER RESOURCES
SOUTHERN REGION

RE: Western Mortgage & Realty Co. properties located in Lincoln, Minidoka and Blaine Counties in Southern Idaho once owned by the Young Family and also known as Mainline, KECO, Rustic Ag and Storm Circle properties

Dear Mr. Merritt:

The closing statement in your letter to me dated December 31, 2008 could not be more true wherein you state that "this can be very confusing". Needless to say, we need to get this process moving forward and in the interest of doing so, and to demonstrate that we want to be cooperative, please find enclosed herewith the packet of information that you emailed to me in late December, 2008. I believe that I have executed all forms and we are also pleased to submit the required payment in the amount of \$5,135.00.

We believe that you have our best interest in mind in order to properly facilitate the required change of ownership process and trust that you will continue to inform us where necessary in the event that an item needs additional attention and/or modification. I do have a couple of questions that pertain to information in your letter, as follows:

1. Some of the properties are located in Blaine County and you make no reference to said county in your reference heading.
2. Regarding Transfer 72135 in the middle of page two, Steve believes that this site is part of R22E rather than R24E. Can you please double check?

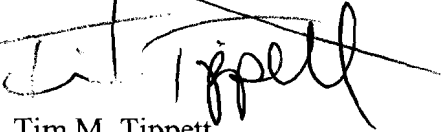
You have requested that we acknowledge in writing that the transfer applications for all dairy sites be withdrawn. It is our understanding that any data entry work already done will be preserved electronically, and any fees paid are being credited to the fees currently due. In any event, please be advised that the transfer applications for Transfer No.'s 72186, 72185, 72427, 72094, 72095, 72096 & 72135 are hereby withdrawn by Western Mortgage & Realty Company and that said applications be returned to us.

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And finally, you have by now received clarification that all security interests previously held by Key Bank have been assigned to this firm and that said security interests have been released from your records. We have also filed the appropriate applications with the Idaho Secretary of State which allows Western Mortgage & Realty Co. to do business in the state of Idaho. I will search the records and get the documentation to you, hopefully, by the time that you receive this information.

Thanks again, and if you should have any questions, please do not hesitate to contact me by calling 800-897-2726.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Tippet", with a long horizontal stroke extending to the right.

Tim M. Tippet
Vice President