

STATE OF IDAHO
IDAHO DEPARTMENT OF WATER RESOURCES

RECEIVED
JUL 06 1998

NOTICE OF CHANGE OF WATER RIGHT OWNERSHIP

Department of Water Resources
Eastern Region

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 Number(s) 25-04103

Adjudication Claim Number(s) _____

2. The following **REQUIRED** information must be submitted with this form.

A. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE**, or other legal document indicating your ownership of the property and water rights or claims in question, **WITH ATTACHED LEGAL DESCRIPTION.**

AND

B. **PLAT OF PROPERTY or SURVEY MAP** for parcel of ten acres or less. (These are usually on file with the county.)

OR

C. For water rights or adjudication claims involving ten or more irrigated acres, a USDA Farm Service Agency (formerly ASCS) **AERIAL PHOTO** with irrigated acres outlined and point(s) of diversion clearly marked.

3. Name and Address of Former Owner/Claimant(s) x Community Well Project c/o B. Jerry Hanson

4. New Owner/Claimant(s) x Community Well Project c/o Bill Vaughan

Name connector (Check one): [] AND, [] OR, [] AND/OR

New Mailing Address 2362 N 5th East IDAHO FALLS ID 83401

City, State and ZIP Code IDAHO FALLS IDAHO 83401

New Telephone Number x (208) 523-6439

5. Date you acquired the property x July 30, 1992

6. If you have acquired only a portion of the former owner's property, IDWR may need to split the water right(s) or adjudication claim(s). If this applies, describe in detail your portion of each water right or adjudication claim in the spaces below. If necessary, attach additional pages.

Number of acres actually irrigated _____ Number and type of stock _____

Diversion rate in CFS _____ Number of homes _____ Other uses _____
cubic feet per second

If a water right or adjudication claim is being split and you are not sure how to identify your portion of the original right or claim, please contact the nearest IDWR office for assistance.

x 7. Signature of New Owner/Claimant(s) Bill Vaughan III Date 7-6-98

Date _____

(Corporations or other organizations must submit a list of directors/officers demonstrating authority to sign form.)

8. For Snake River Basin Adjudication Claims: If you are represented by an attorney and you want IDWR to correspond directly with your attorney for all matters related to your claims, please attach a Notice of Appearance completed by your attorney.

WARRANTY DEED

FOR VALUABLE CONSIDERATION RECEIVED Jerry Lee Hanson and
Sharon Kay Hanson, Husband and wife, the Grantor,
does hereby grant, bargain, sell and convey unto Phillip B. Gray and Susan K. Gray,
Husband and wife, the Grantee,
whose current address is 7362 North 56th East Idaho Falls, Idaho
the following described real estate situated in Bonneville County,
State of Idaho, to-wit:

SEE ATTACHED EXHIBIT A:

Subject To: all easements, rights of way, covenants, restrictions,
patent reservations, applicable building and zoning ordinances and
use regulations and restrictions and accruing taxes, of record.

TO HAVE AND TO HOLD the said premises, together with all tenements, hereditaments and appurtenances
thereunto belonging, unto the said Grantee, his successors and assigns forever. Grantor does hereby covenant
to and with the said Grantee that IT is the owner in fee simple of said premises and that IT will warrant and
defend the same from all lawful claims whatsoever.

In construing this Deed and where the context so requires, the singular includes the plural and the
masculine, the feminine and neuter.

DATED: January 25, 1991

Jerry Lee Hanson
Sharon Kay Hanson by Jerry Lee Hanson by attorney in fact,
by power of Attorney

STATE OF IDAHO, County of Bonneville
On this 25th day of January 1991
before me, Connie Clements, a
Notary Public in and for the said State personally
appeared
Jerry Lee Hanson

Known to me to be the person(s) whose name(s) is
subscribed to the within instrument, and acknowl-
edged to me that he executed the same.


Notary Public
Idaho

THIS SPACE FOR COUNTY RECORD'S USE ONLY.

INSTRUMENT NO. 800384
DATE 1-23-91
INST. CODE B3
FICHE NO. 107-53
FEE 17.00

STATE OF IDAHO
COUNTY OF BONNEVILLE) ss

I hereby certify that the within
instrument was recorded.

Ronald Longoria,
County Recorder

By [Signature]
Request of

IDAHO TITLE AND TRUST CO.

P.O. BOX 367 - 547 CAPITAL AVE.

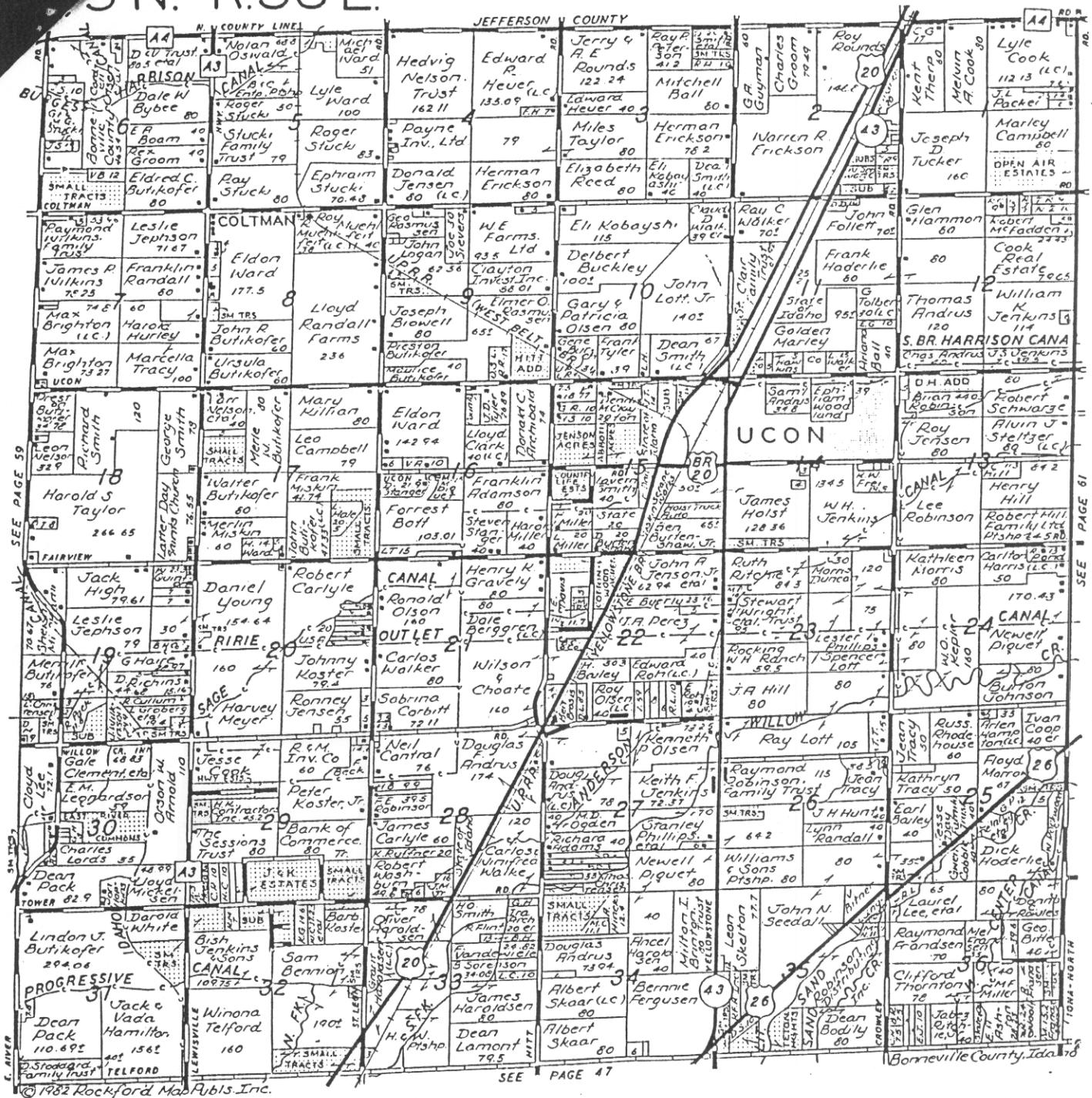
IDAHO FALLS, IDAHO 83401

BONNEVILLE COUNTY
CLERK
91 JAN 25 PM 1:04

IDAHO TITLE & TRUST COMPANY
Escrows • Title Insurance

P.O. Box 50367, Idaho Falls, ID 83405-0367 (208) 522-7895

3 N.-R.38 E.



This sketch is made solely for the purpose of assisting in locating the premises. The Company assumes no liability for alleged loss or damage which result from reliance on this map.

N

LEWISVILLE
HWY

E

NW 1/4

643.6

140

644.4

170:

S

This sketch is made solely for the purpose of assisting in
locating the remises. The Company assumes no liability for
alleged loss or damage which result from reliance on this
map.



FIRST AMERICAN TITLE COMPANY

SECTION 29 Township 3 N Range 38 EBM

____ Scale for Section-----800 feet=1 inch

☒ Scale for Quarter-----400 feet=1 inch

____ Scale for Quarter Quarter---200 feet=1 inch

This plat is made solely for the purpose of assisting in locating said land,
& the Company assumes no liability for variation, if any, with actual survey.

RIGHT NUMBER: 25-04103

NAME & ADDRESS: JERRY L HANSON
7362 N 5TH E
IDAHO FALLS, ID ID 83401

COMMUNITY WATER PROJECT
7362 NORTH 5TH EAST
IDAHO FALLS ID 83401

SOURCE: GROUNDWATER

QUANTITY: 0.11 CFS

PRIORITY DATE: 12/31/1958

POINT OF DIVERSION: T03N R38E S29 SWNW Within BONNEVILLE County

PURPOSE AND
PERIOD OF USE: PURPOSE OF USE PERIOD OF USE QUANTITY
DOMESTIC D/ 5 HOUSEHOLDS. 01-01 12-31 0.11 CFS

PLACE OF USE: DOMESTIC Within BONNEVILLE County
T03N R38E S29 SWNW

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

GEORGE J. MC CARTY, 7362 N. 5TH E., IDAHO FALLS, ID 83401
JUDD L. MELGAARD,
BERNIE KNAPP,
LADIS FRANKUZ.

EXPLANATORY MATERIAL: BASIS OF CLAIM - BENEFICIAL USE

Verified by Sandy Date: 9-16-97

Verification Source: Computer Printout



REAL ESTATE PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY



THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT, INCLUDING THE GENERAL PROVISIONS ON THE REVERSE SIDE AND ANY ATTACHMENTS, CAREFULLY, BEFORE SIGNING. IF YOU HAVE ANY QUESTIONS, CONSULT YOUR ATTORNEY BEFORE SIGNING.

Idaho Falls

Idaho

June 08

19 92

Bill and Carmel Vaughn, Husband and Wife

(hereinafter called "Buyer") agrees to purchase, and the undersigned Seller agrees to sell the following described real estate hereinafter referred to as "premises" commonly known as 7362 Lewsiville Highway

City of Idaho Falls County of Bonneville, Idaho legally described as: Lengthy - to be attached

(A FULL AND COMPLETE LEGAL DESCRIPTION MUST BE INSERTED OR ATTACHED PRIOR TO EXECUTION BY SELLER. Buyer hereby authorizes broker to insert over his signature the correct legal description of the premises if unavailable at the time of signing, or to correct the legal description previously entered if erroneous or incomplete.)

EARNEST MONEY.

- (a) Buyer hereby deposits as earnest money and a receipt is hereby acknowledged of one thousand dollars (\$ 1,000.00) evidenced by: ☐ Cash ☒ Personal Check ☐ Cashiers Check ☐ Note Due ☐ or _____
- (b) Earnest Money to be deposited in trust account upon acceptance by all parties and shall be held by ☐ Listing Broker ☒ Selling Broker ☐ Other _____ for the benefit of the parties hereto, and Voigt Davis, Realtors (Broker) shall hold the completely executed broker's copy of this agreement and is responsible for the closing.
- (c) If all conditions have been met by Buyer, Buyer and Seller agree that the earnest money (less credit report fees, and any other Buyer's costs) shall be refunded to Buyer in the event Buyer or Seller cannot consummate the sale due to circumstances beyond their control.
- (d) The parties agree that First American Title Company shall provide title policy and preliminary report of commitment and the "closing agency" for this transaction shall be Voigt Davis, Realtors. If a long-term escrow / collection is involved, then the escrow holder shall be _____

1. TOTAL PURCHASE PRICE IS Eighty six thousand five hundred DOLLARS (\$ 86,500)

Payable as follows:

- a. \$ 8,650 Cash down, including above Earnest Money (Closing costs are additional).
- b. \$ 77,850 Balance of the purchase price (M.I.P. not included).

2. FINANCING. Buyer to secure the following financing: ☐ FHA, ☐ VA, ☒ Conventional, ☐ FmHA, ☐ Assumption of existing loan(s).

(a) ☐ NEW FINANCING. Purchase loan balance as noted above for a period of 30 years at 8 3/4 % per annum. (If FHA or VA loan is sought, read the applicable provisions on the reverse side hereof.) Buyer shall pay no more than 0 points plus origination fee if any. Seller to pay only the discount points necessary in order to obtain above described financing but not to exceed 0 points. Any reduction in points shall first accrue to the benefit of the ☐ Buyer ☐ Seller.

(b) ☐ ASSUMPTION. Buyer to ASSUME and ☐ will or ☐ will not be required to qualify for an EXISTING LOAN(S) of approximately \$ _____ but no more than _____ % with monthly payments of approximately \$ _____ . ☐ P ☐ O ☐ I ☐ T ☐ O ☐ I.

This agreement ☐ does ☐ does not require Lender to release Seller's liability. Type of loan _____ Buyer shall apply for such loan or assumption within three (3) banking days after Seller's acceptance of this agreement.

3. OTHER FINANCING, TERMS AND/OR CONDITIONS: n/a

I CERTIFY THIS TO BE A
TRUE AND CORRECT COPY

Denise Rowe

4. CONTINGENCIES. IF SELLER'S 3 DAY CONTINGENCY WAIVER IS CHECKED BELOW, SEE ITEM #10 ON REVERSE SIDE HEREOF.

Any waiver by the Buyer will be a waiver of all contingencies.

- (a) ☐ None (No contingencies apply)
- (b) ☒ New Financing/Assumption — This agreement is contingent upon Buyer(s)/property qualifying for the above described financing.
☐ Subject to ☒ NOT Subject to Seller's contingency waiver clause.
- (c) ☐ Closing of _____ on or before _____ listed with _____
☐ Subject to ☐ NOT Subject to Seller's contingency waiver clause.
- (d) ☐ Other (specify) _____
☐ Subject to ☐ NOT Subject to Seller's contingency waiver clause.

5. ITEMS SPECIFICALLY INCLUDED IN THIS SALE (if FHA / VA financing is sought see Item # 15 on reverse side): oven/range, dishwasher, wood stove, window coverings

6. ITEMS SPECIFICALLY EXCLUDED IN THIS SALE: refrigerator, water softener

7. COSTS PAID BY: Costs in addition to those listed below may be incurred by Buyer and Seller. Unless otherwise agreed herein, or provided by law or required by lender, Buyer shall purchase Seller's reserve account if loan assumption. APPRAISAL — If appraisal is required below, property must appraise at no less than contract price.

☐ Yes ☐ No. Purchaser's Extended Coverage Title Policy requested. Additional premium paid by _____ . See item # 18 on reverse side.

If requested by lender or otherwise stated herein, the below costs will be paid as indicated.

Costs Paid By	Appraisal	Loan Assumpt.	Well Inspect.	Pump/Inspect. Septic	City/County Code Inspect. If Required	Contract and/or Document Prep.	Closing Agent's Fee	Long Term Escrow Fees	Lender or Code Repairs	Tax Search
BUYER	X					X				X
N/A		X						X	X	
SELLER			X	X	X					
SHARE EQUALLY							X			

Cost of lender or code repairs not to exceed \$ n/a . Discount points to be paid as agreed on line 28 and 29. SELLER UNDERSTANDS that as a result of any city or county inspections HE MAY BE REQUIRED TO MAKE REPAIRS to the property in order to comply with the housing code WHETHER OR NOT A SALE IS COMPLETED UNDER THIS AGREEMENT.

8. POSSESSION. Buyer shall be entitled to possession on ☒ closing ☐ other _____ . "Closing" means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to Seller. Taxes and water assessments (using the last available assessment as a basis), rents, interest and reserves, liens, encumbrances or obligations assumed and utilities shall be pro-rated as of closing.

Buyer shall pay for fuel in tank, amount to be determined by the supplier at Seller's expense.

9. CLOSING. On or before the closing date, Buyer and Seller shall deposit with the closing agency all funds and instruments necessary to complete the sale. The closing date shall be no later than July 30, 1992 9:00 P.M.

10. ACCEPTANCE. Buyer's offer is made subject to the acceptance of Seller on or before 12:00 o'clock midnight of June 08, 1992 . If Seller does not accept this agreement within the time specified, the entire Earnest Money shall be refunded to Buyer on demand. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

☐ See attached Addendum(s). ☐ See attached Counter Offer(s).

11. IMPORTANT — AGENCY DISCLOSURE.

At the time of signing this agreement the agent working with the buyer represented _____ and the agent working with the seller represented the Seller . Each party signing this document confirms that prior written disclosure of agency was provided to him/her in this transaction. Each party to this transaction has read and understands the contents of the agency disclosure brochure previously received.

Listing Agency: RE/MAX - HOMESTEAD

Selling Agency: VOIGT DAVIS, REALTORS

By: Mike Hicks Phone: 529-5600

By: Karl Page Phone: 524-6000

Buyer: Bill Vaughn

Buyer's Address: 901 W. GOLDIE

Buyer: Carmel Vaughn

Buyer's Phone: Residence 523 6439 Business 523 0183

On this date, I/We hereby approve and accept the sale set forth in the above agreement and agree to carry out all the terms thereof on the part of the Seller.

I/We further acknowledge receipt of a true copy of this agreement signed by both parties.

Seller: Philip Gray Date: _____

Seller's Address: _____

Seller: Sharon Gray Date: 6-8-92

Seller's Phone: Residence _____ Business _____

A true copy of the foregoing agreement, signed by the Seller and containing the full and complete legal description of the premises, is hereby received on this

9 day of June, 19 92

Buyer: Bill Vaughn

Buyer: Carmel Vaughn

THE PROVISIONS CONTAINED ON THE REVERSE SIDE OF THIS PAGE SHALL ALSO CONSTITUTE PART OF THE AGREEMENT OF THE PARTIES. EACH OF THE PARTIES ACKNOWLEDGES READING THIS AGREEMENT IN FULL.

Buyer's Initial BU CV

Seller's Initial PG SG

UNROKEN'S COPY

RE21 REV. 8/91

AFTER RECORDING MAIL TO:

INTERWEST MORTGAGE
295 GENTRY WAY #14
RENO, NV 89502

LOAN NO. 3580584

[Space Above This Line For Recording Data]

DEED OF TRUST

COPY

THIS DEED OF TRUST ("Security Instrument") is made on July 30, 1992. The grantor is WILLIAM H. VAUGHN and CARMEL E. VAUGHN, HUSBAND AND WIFE

("Borrower").
("Trustee").

The trustee is FIRST AMERICAN TITLE COMPANY
The beneficiary is INTERWEST MORTGAGE,
which is organized and existing under the laws of the State of Nevada,
and whose address is 760 Margrave Dr., #100, Reno, NV 89502

("Lender"). Borrower owes Lender the principal sum of Seventy Seven Thousand Eight Hundred Fifty Dollars and no/100 Dollars (U.S. \$ 77,850.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on August 1, 2022. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in BONNEVILLE County, Idaho:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER, NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 3 NORTH, RANGE 38, EAST OF THE BOISE MERIDIAN, BONNEVILLE COUNTY, IDAHO; THENCE SOUTH 89 DEGREES 10' WEST A DISTANCE OF 2607.2 FEET; THENCE NORTH 0 DEGREES 35'30" WEST A DISTANCE OF 170.0 FEET TO THE REAL POINT OF BEGINNING; THENCE NORTH 0 DEGREES 35'30" WEST A DISTANCE OF 140.00 FEET; THENCE NORTH 89 DEGREES 10' EAST A DISTANCE OF 643.6 FEET; THENCE SOUTH 0 DEGREES 50' EAST A DISTANCE OF 140.00 FEET; THENCE SOUTH 89 DEGREES 10' WEST A DISTANCE OF 644.4 FEET TO THE REAL POINT OF BEGINNING.
EXCEPTING THEREFROM: ANY ROAD RIGHTS-OF-WAY ALONG WEST BOUNDARY LINE.

which has the address of 7362 NORTH 5TH EAST, IDAHO FALLS, IDAHO 83401 ("Property Address");
[Street] [City] [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. 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."

BORROWER COVENANTS that Borrower is lawfully selsed of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; 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 may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower 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 floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and

for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by

an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the 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 Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or charge the amount of such payments.

11. Borrower 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 granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgement enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration has occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances 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. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such

notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

23. **Substitute Trustee.** Lender may, for any reason or cause, from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. **Area and Location of Property.** Either the Property is not more than twenty acres in area or the Property is located within an incorporated city or village.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- | | | |
|--|---|---|
| ☐ Adjustable Rate Rider | ☐ Condominium Rider | ☐ 1-4 Family Rider |
| ☐ Graduated Payment Rider | ☐ Planned Unit Development Rider | ☐ Biweekly Payment Rider |
| ☐ Balloon Rider | ☐ Rate Improvement Rider | ☐ Second Home Rider |
| ☐ Other(s) [specify] | | |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

_____	<u>William H. Vaughn</u> (Seal) WILLIAM H. VAUGHN -Borrower
_____	<u>Carmel E. Vaughn</u> (Seal) CARMEL E. VAUGHN -Borrower
_____ (Seal)	_____ (Seal) -Borrower -Borrower

[Space Below This Line For Acknowledgement]

STATE OF IDAHO, BONNEVILLE County ss:
On this day 30TH of JULY, 1992, before me, _____, a Notary
Public in and for said county and state, personally appeared
WILLIAM H. VAUGHN AND CARMEL E. VAUGHN
known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that
THEY executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public residing at: _____
MY COMMISSION EXPIRES>