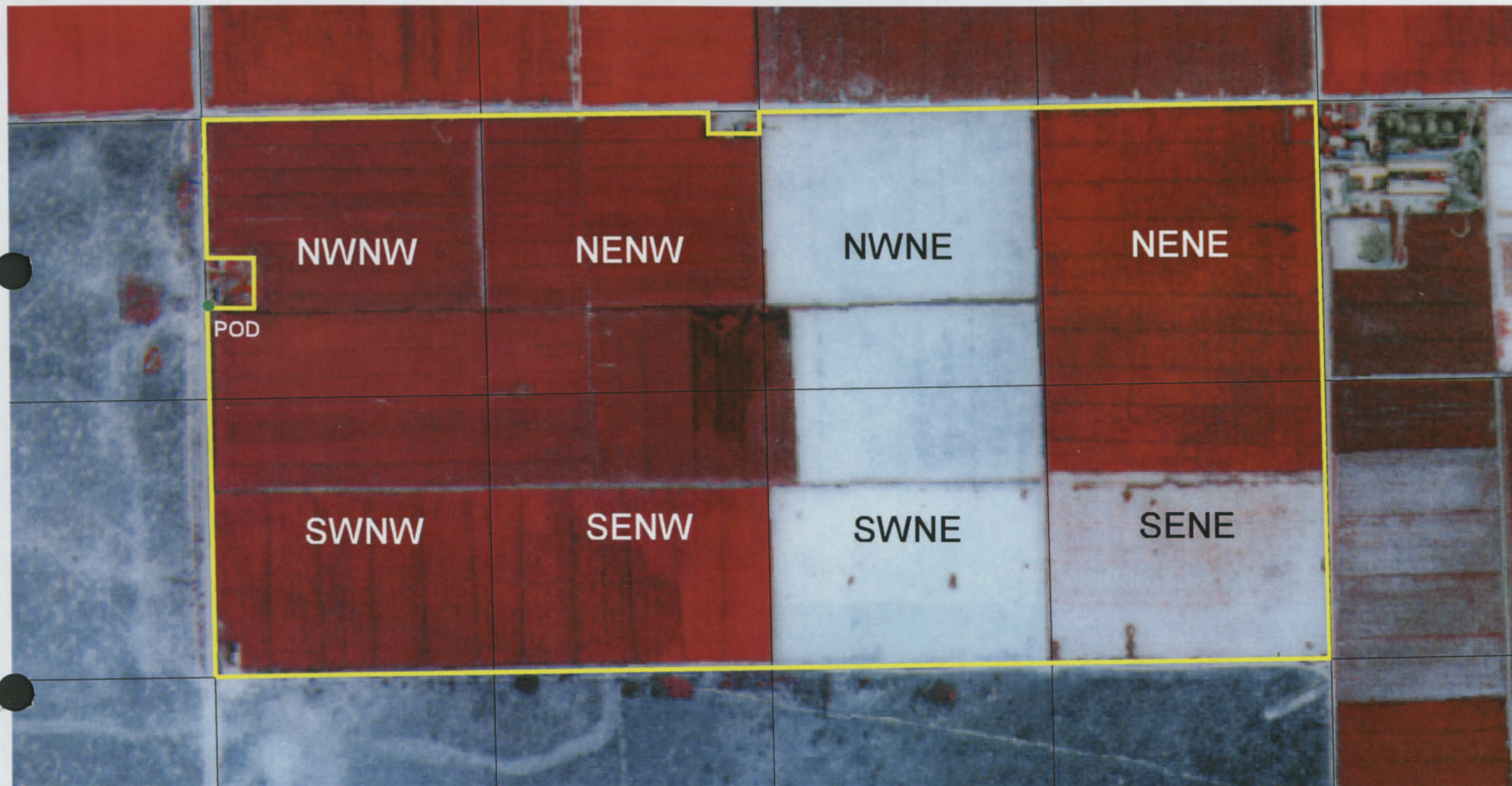


31-02446



660 0 660 1320 1980 Feet

T07N R33E S17

Map prepared by: Carter Fritschle
Date prepared: 05-07-99
1987-1988 NAPP photography



A31-02446

T7N

R33E

W38 1980

4792

4792

4790

Well
4792

Well
4792

4792

4791

4788

39 2

39

40

40

40

40

40

40

Well
4789

Well
4789

16

15

4786

Well

4790

20

21

22

BM 4793

4793

S
T
A
T
I
O
N

4788

4787

A
L

BM 4791

29

28

27

③ 66.4
② 84.0
① 40.9

① 78.0 NHEL

② 76.9 NHEL

T7N
R33E
1987 photo

x
HEL
⑦
89.6

④ 32.1

●
HEL
⑧
13.2

⑤ 34.3

⑥ 34.4

③ 76.1 NHEL

④ 77.6 NHEL

7 8
18 17 #1243
① 140

39.2

NHEL
③
25.3

NHEL
②
27.3

39

HEL
①
26.5

40

40

POB

NHEL
④
34.9

NHEL
⑥
18.6

HEL
⑦
21.9

40

40

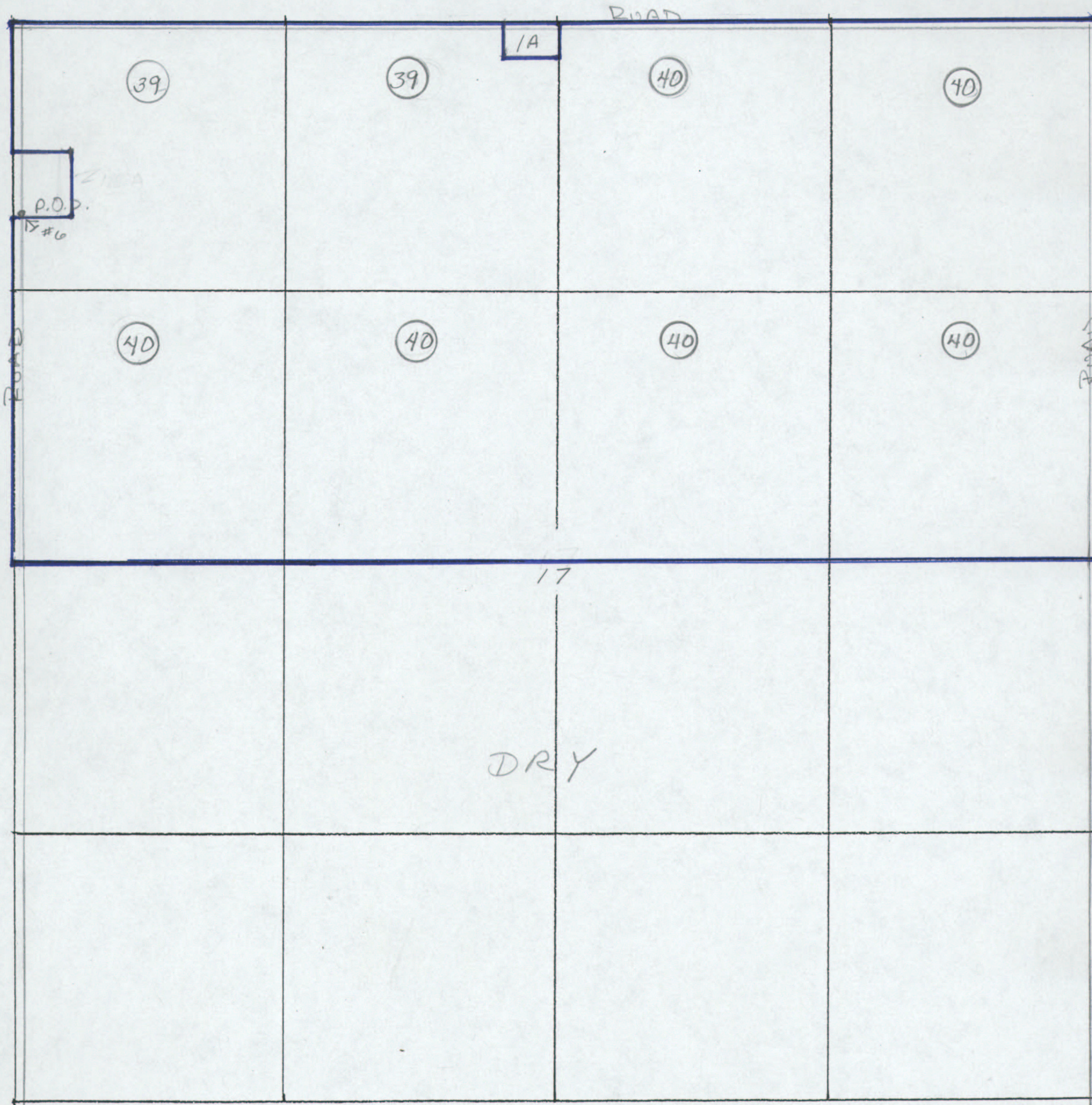
40

40

⑤ 50.2

HEL
⑧
24.6

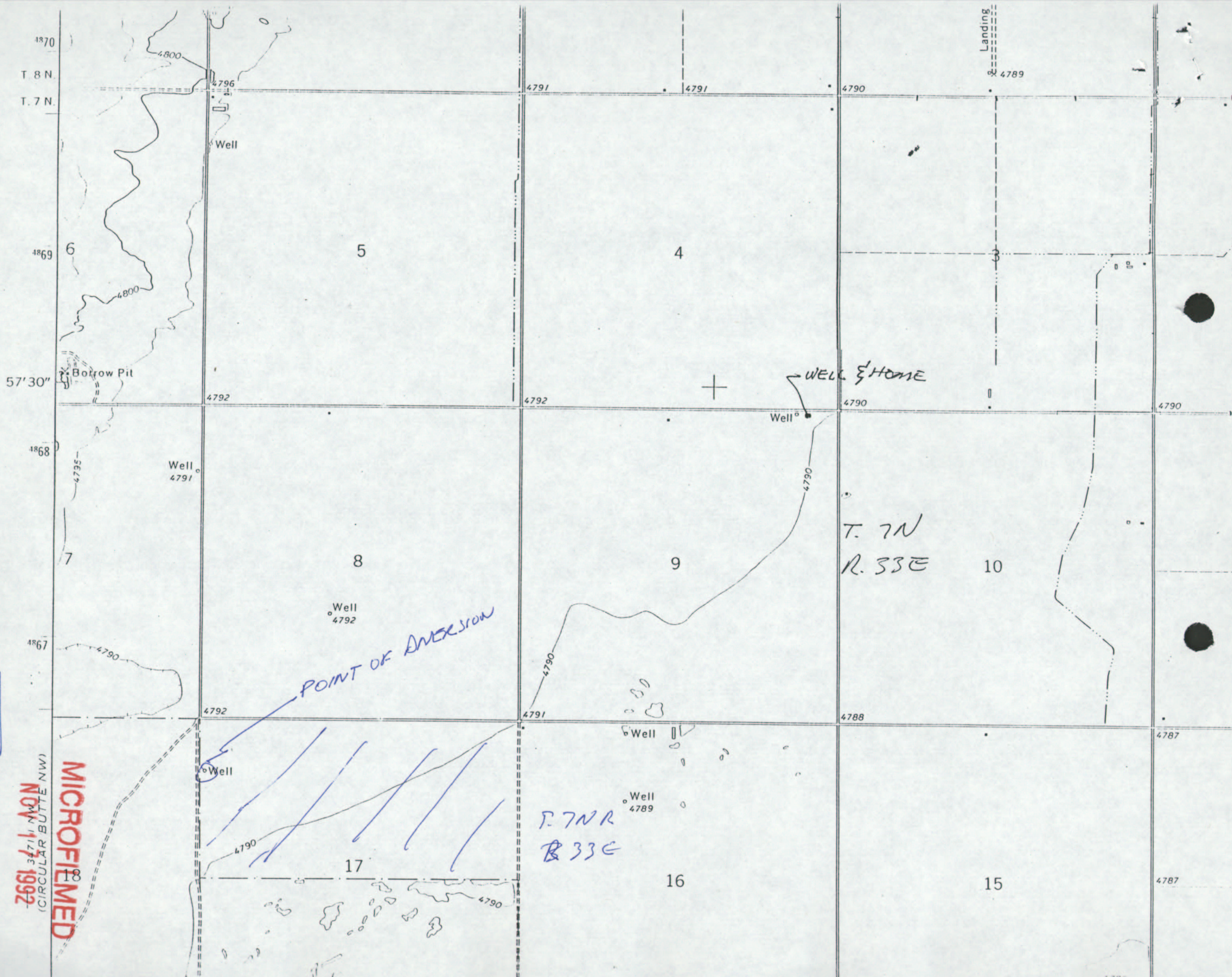
HEL
⑨
79.5



318 ac.

Scale 8.0" = 1.0 Mile

Township 7N Range 33E Section 17DATE 7-12-94OPQ MAP # W38 NAPP # W38 SWAGENT Fritschle & Norquest



Landing

WELL & HOME

POINT OF DIVERSION

T. 7N
R. 33E

T. 7N R
R. 33E

MICROFILMED

NOV 17 1992

A31-02664

Claim identification no. A31-02446

MECHAN

1-6

2-12-94

T7N R33E Sec 17
N 1/2



LOOKING NW AT WELL AND PUMP FROM APPROX 25' FROM
THE END OF THE DISCHARGE PIPE.

12/07/2000

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 31-2446

NAME AND ADDRESS: CAROL L MECHAM
LARRY B MECHAM
2300 N 598 E
MONTEVIEW, ID 83435

SOURCE: GROUND WATER

QUANTITY: 6.4 CFS
1113 AFY

PRIORITY DATE: 05/03/1965

POINT OF DIVERSION: T07N R33E S17 SWNNWN Within JEFFERSON County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE	PERIOD OF USE	QUANTITY
IRRIGATION	4-01 11-01	6.40 CFS 1,113.00 AFY

PLACE OF USE:

IRRIGATION Within JEFFERSON
County

T07N R33E S17	NENE	40	T07N R33E S17	NWNE	40
T07N R33E S17	NENW	39	T07N R33E S17	NWNW	39
T07N R33E S17	SENE	40	T07N R33E S17	SWNE	40
T07N R33E S17	SENW	40	T07N R33E S17	SWNW	40

318 ACRES TOTAL

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

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS
NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT
ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY
DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE
ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO
CODE.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

08/08/2000

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 31-2446

NAME AND ADDRESS: CAROL L MECHAM
LARRY B MECHAM
2300 N 598 E
MONTEVIEW, ID 83435

SOURCE: GROUND WATER

QUANTITY: 6.4 CFS
1113 AFY

PRIORITY DATE: 05/03/1965

POINT OF DIVERSION: T07N R33E S17 LOT 0 SWNWNW Within JEFFERSON County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
IRRIGATION	4-01 11-01	6.4 CFS 1113 AFY

PLACE OF USE:

IRRIGATION Within JEFFERSON
County

T07N R33E S17	NENE	40	T07N R33E S17	NWNE	40
T07N R33E S17	NENW	39	T07N R33E S17	NWNW	39
T07N R33E S17	SENE	40	T07N R33E S17	SWNE	40
T07N R33E S17	SENW	40	T07N R33E S17	SWNW	40

318 ACRES TOTAL

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

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

*POD + POU shapes updated
in SDE. 04 8-8-00*

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident Number: A31-02446
Date Received: 11/23/1988
Receipt No: E004324
Received By: S.M.

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: LARRY B. MECHAM 208-657-2262
Address: 2300 N 598 E
MONTEVIEW, ID 83435

AND/OR

Name: CAROL L. MECHAM 208-657-2262
Address: 2300 N 598 E
MONTEVIEW, ID 83435

2. Date of Priority: MAY 03, 1965

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
07N	33E	17	NW	NW			JEFFERSON

5. Description of diverting works:
WELL TO FLOOD IRRIGATION

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or)	A.F.A.
IRRIGATION	04/01	11/01	6.400		

7. Total Quantity Appropriated is:
6.400 C.F.S. (and/or) A.F.A.

8. Total consumptive use is 800.0 Acre Feet Per Annum.

9. Non-irrigation uses:
NONE

A31-02446

Page 1

Date: 11/23/88

A3102446



MICROFILMED

NOV 17 1992

10. Place of Use: Continued

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
07N	33E	17	SE	NE		IRR	40.0
			NE	NW		IRR	40.0
			NW	NW		IRR	40.0
			SW	NW		IRR	40.0
			SE	NW		IRR	40.0

Section Acres 320.0

Total Acres	320.0
-------------	-------

11. Place of use in counties: JEFFERSON

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:
NONE

14. Remarks:

15. Basis of Claim: LICENSE
Water Right Number: 32349

MICROFILMED
NOV 17 1992

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not X wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: 1

For Individuals:

I/We do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s): Larry B. Mechem Date: Nov 23, 1988
Date: _____

State of Idaho)
County of Bannock) SS.

Subscribed and sworn (or affirmed) before me this 23 day

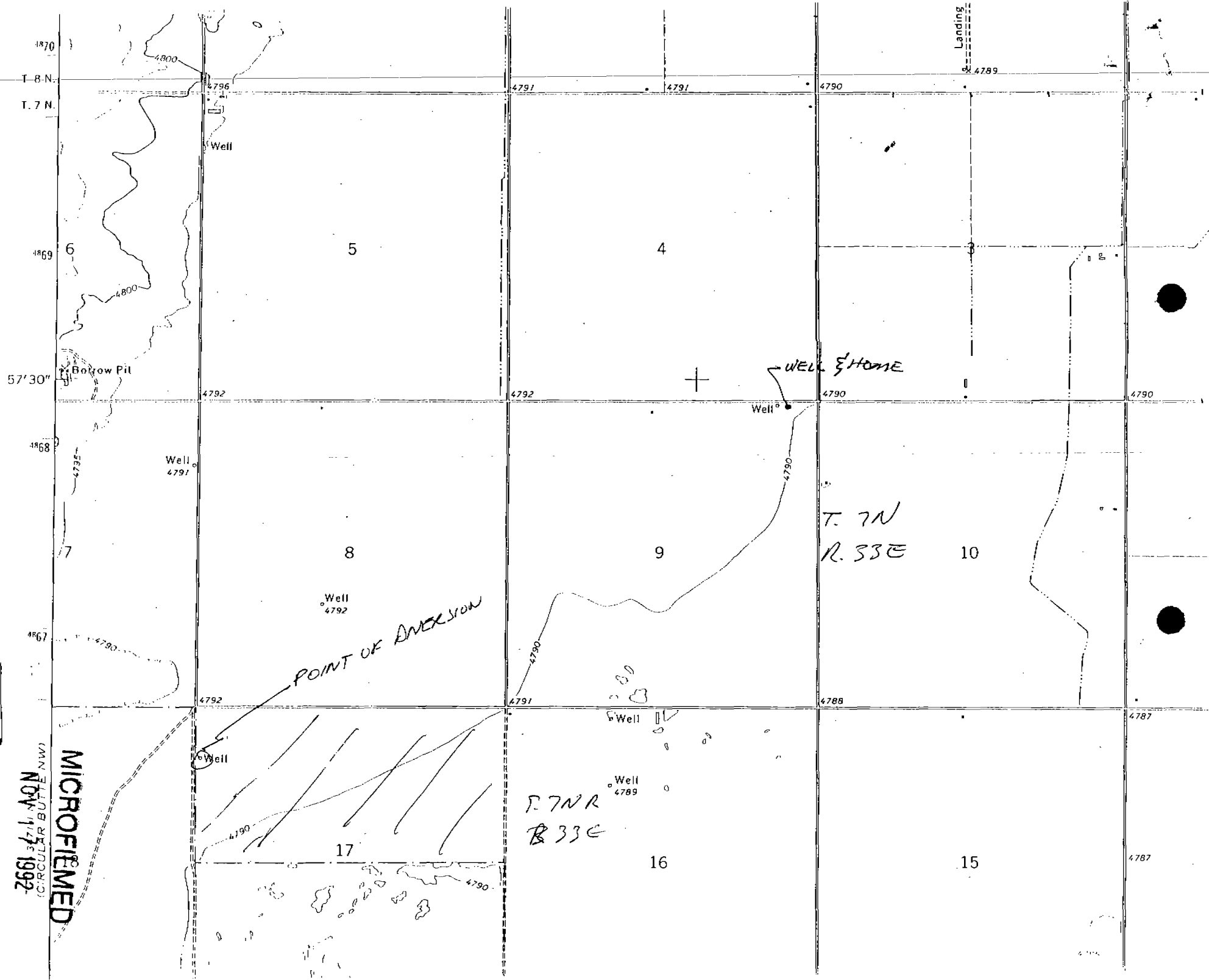
of Nov 19 88

Betty J. Thompson
Notary Public

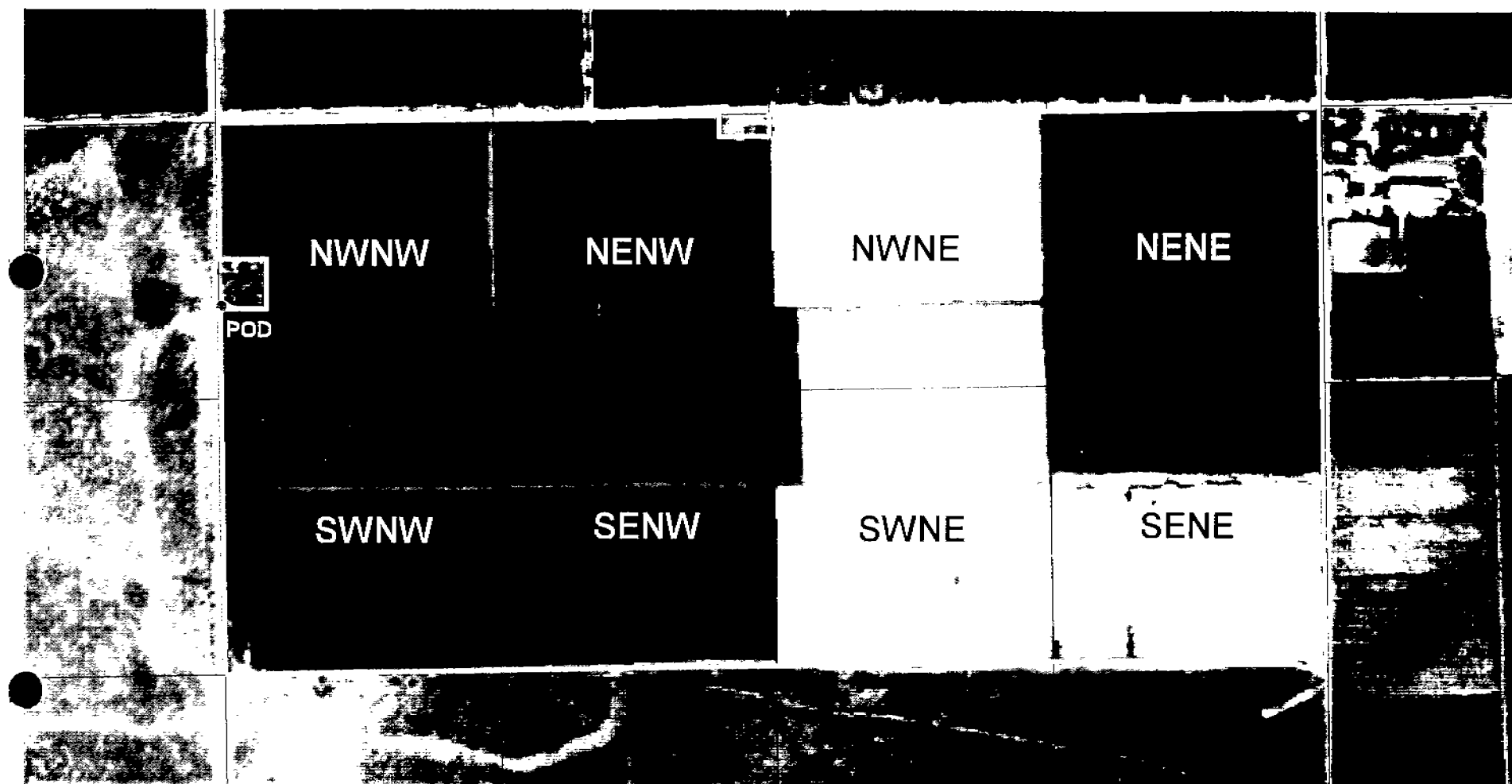
Seal

Residing at Idaho Falls

My Commission Expires 6/30/1994



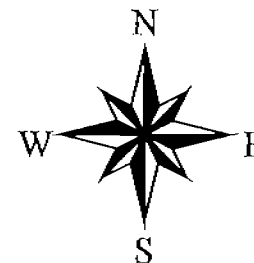
31-02446



660 0 660 1320 1980 Feet

T07N R33E S17

Map prepared by: Carter Fritschle
Date prepared: 05-07-99
1987-1988 NAPP photography



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM VERIFICATION REPORT

22:45:51
03/13/93

PAGE: 1
GENERAL INFORMATION

CLAIM NUMBER: A31-92446

LAST: MECAM
ADDRESS: 2500 N 598 E
CITY: MONTEVIEW
PHONE NUMBER: 208-657-2262

FIRST: LARRY BX

STATE: ID ZIP: 83435

OWNER CODE: C

LAST: MECAM
ADDRESS: 2500 N 598 E
CITY: MONTEVIEW
PHONE NUMBER: 208-657-2262

FIRST: CAROL LX

STATE: ID ZIP: 83435

OWNER CODE: C

FIELD EXAM REQUIRED?

VERIFICATION REQUIRED DUE TO REMARKS?

NO REMARKS IN CLAIM

DATABASE
N

FIELD
EXAMINER

CONTACT PERSON: Officer & Field Check

PHONE NUMBER: () -

DATE OF FIELD EXAM: 7/12/94

APPOINTMENT MADE: Y() N()

TIME: : A() P()

ACCOMPANIED BY: _____

PHONE NUMBER: () -

RELATIONSHIP TO CLAIMANT: _____

DIRECTIONS TO PROPERTY / NOTES:

Met Larry McLean at well.

A. AJ CLAIM: # A31-02446 PRIORITY DATE: 05-03-1965 STAGE: 1 ✓
B. WR RECORD: # 31-02446 PRIORITY DATE: 05-03-1965 STAGE: 1 ✓

C. FIELD EXAM REQUIRED?

DUE TO PRIORITY DATE DISCREPANCY? (Y/N)

DATABASE

FIELD
EXAMINER

(N)

(N)

ARE THERE OBVIOUS REASONS TO QUESTION THE PRIORITY DATE CLAIMED? Y() N(✓)
IF YES EXPLAIN.

NOTES:

Claimed as occurred

RECOMMENDED PRIORITY DATE:
05-03-1965 ✓

REVIEWED BY

ER

DATE

5-4-94

A. AJ CLAIM POINT OF DIVERSION AND SOURCE:

RIGHT	TWP.	RGE.	SEC.	1/4	1/4	1/4	LOT	CNTY
A31-02446	07N	33E	17	SW	NW	NW		JEFFERSON

OTHER AJ CLAIMS WITH SAME AJ POD
A PREFIX R PREFIX
A31-10490 NONE

WR RECORDS IN SAME 40 ACRE TRACT
NONE

SOURCE: GROUNDWATER

TRIB:

B. WR POINT OF DIVERSION AND SOURCE:

RIGHT	TWP.	RGE.	SEC.	1/4	1/4	1/4	LOT	CNTY
31-02446	07N	33E	17		NW	NW		JEFFERSON

OTHER WR RECORDS WITH SAME WR POD
NONE

AJ CLAIMS IN SAME 40 ACRE TRACT
A PREFIX R PREFIX
A31-10490 NONE

SOURCE: GROUNDWATER

TRIB:

C. FIELD EXAM REQUIRED?

DUE TO POD DISCREPANCY? (Y/N)
DUE TO SOURCE DISCREPANCY? (Y/N)

DATABASE
Y/N
N

FIELD
EXAMINER
E

NOTES:

POD 10 Acre tract shown on TOPO W38 and OPD W38.
Confirmed by field exam 7-12-94 at 7-26-94

RECOMMENDED POINT(S) OF DIVERSION AND SOURCE:

TWP.	R&E.	SEC.	1/4	1/4	1/4	LOT	COUNTY	DIVERSION NAME
7N	33E	17	SW	NW	NW	---	Jefferson	---
---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---

SOURCE: GROUNDWATER ✓

TRIG:

REVIEWED BY:

2A

DATE:

5-9-94

SYSTEM DESCRIPTION:

Water is Pumped into Ditches with headgates for flood irrigation,

A. ROOT WATER RIGHT NUMBERS: A31-02446

B. POB LISTING

TWP	RNG	SEC	1/4	1/4	LOT	NAME	AJ #/ACRES	VR #/ACRES	LANDSAT DATA	FIELD EXAM.	RECOMM. ACRES
07N	33E	17	NE	NE		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	37.0
07N	33E	17	NW	NE		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	41.0
07N	33E	17	SW	NE		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	40.0
07N	33E	17	SE	NE		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	40.0
07N	33E	17	NE	NW		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	39.0
07N	33E	17	N4	NW		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	40.0
			N4	NW		MECHAN, CAROL L.	A31-10490	1	-	1	40.0
07N	33E	17	SW	NW		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	41.0
07N	33E	17	SE	NW		MECHAN, LARRY B.	A31-02446	740.0	31-02446	740.0	39.0
TOTAL ACRES							A31-02446	520.00	520.00	517.00	309.2

GIS

40

40

40

40

39

93

40

40

318

ARE IRRIGATED ACRES FOUND IN TRACTS OTHER THAN INDICATED ABOVE, Y() N(X)
IF YES SEE ATTACHED SHEET:

C. FIELD EXAM REQUIRED?

DUE TO POB DISCREPANCY? (Y/N)

DATABASE

FIELD
EXAMINER

POB COUNTY: JEFFERSON

PRESUMPTION FLAG:

NOTES:

Acres reduced because of Roads and Buildings

ASCS acres = 308.8 CF 7-26-94

Recommend GIS acreage

RECOMMENDATIONS:

CF 5-7-99

TOTAL ACRES:

309.2 318

REVIEWED BY:

21

DATE:

7-19-94

=====

A. AS CLAIMED USES:

PURPOSES	MONTH/DAY	DIVERSION QUANTITY
A31-02446 IRRIGATION	FROM 04-31 TO 11-01	6.400 CFS
TOTAL DIVERSION RATE/VOLUME CLAIMED		6.400 CFS

B. MR RECORDED USES:

PURPOSES	MONTH/DAY	DIVERSION QUANTITY
31-02446 IRRIGATION	FROM 04-31 TO 11-01	6.400 CFS 960.00 AF/A
TOTAL DIVERSION RATE/VOLUME CLAIMED		6.400 CFS 960.00 AF/A

PRESUMPTION FLAG:

C. FIELD EXAM REQUIRED:

	DATABASE	FIELD EXAMINER
DUE TO WATER-USE DISCREPANCY? (Y/N)	N	☒
DUE TO DIVERSION RATE DISCREPANCY? (Y/N)	N	☒
DUE TO PERIOD FROM/TO DISCREPANCY? (Y/N)	N	☒

D. PERIOD OF USE:

RECOMMEND AS CLAIMED?

Y() N(☒)

RECOMMEND TO MR STANDARDS OR OTHER?

Y(☒) N() EXPLAIN IN NOTES, BELOW.

NOTES:

Standards used as licensed

A. DOES DIVERSION RATE CLAIMED AGREE WITH EXISTING RECORDS?

Y(✓) N()

AJ TOTAL CLAIMED DIVERSION RATE: 6.400 CFS
WR ROOT RIGHT TOTAL DIVERSION RATE: 6.400 CFS

*** IF NO OR IF STATUTORY CLAIM OR BENEFICIAL USE THEN FLOW MEASUREMENT REQUIRED. ***

** IF AN AMOUNT SMALLER THAN THE ORIGINAL DIVERSION RATE IS **

** CLAIMED AND AN EAM IS NOT REQUIRED, EXPLAIN IN NOTES. **

FLOW MEASUREMENT REQUIRED?

DUE TO STAGE OR DIVERSION RATE DISCREPANCY? (Y/N)

FIELD
DATABASE EXAMINER

YN SN

B. FLOW MEASUREMENT

MEASUREMENT METHOD

N/A

SEE ATTACHED CALCULATIONS.

C. ARE OTHER WATER RIGHTS USED? Y() N(✓) IF YES COMPLETE OVERLAP REVIEW.

OTHER RIGHTS LISTED IN CLAIM: NONE

NO CLAIMS FOUND WITH SAME PDU AND IRRIGATION USAGE

LIST ALL RIGHTS WITH SAME PDU BUT NOT USED FOR IRRIGATION.

CLAIM NO.	PURPOSES	NAME	MONTH/DAY	RATE	VOLUME
A31-10470	DOMESTIC	MECHAN, CAROL L.	FROM 01-01 TO 12-31	1040 CFS	
A31-10470	STOCKWATER	MECHAN, CAROL L.	FROM 01-01 TO 12-31	1020 CFS	

D.

RATE/VOLUME CALCULATIONS: (IRRIGATION)

1A. IRRIGATION RATE

ACRES 304.2 X 0.02 CFS/ACRE = 6.18 CFS
(TAKEN FROM P/U REVIEW)
318

6.36
6.36
6.18 < 6.40

DUES AMOUNT CLAIMED EXCEED 0.02 CFS/ACRE? Y() N(✓)

*** IF YES ADDITIONAL WATER USE FORM FILED AND ATTACHED? Y(✓) N() ***

2. IRRIGATION CONSUMPTIVE USE

CLAIMED CONSUMPTIVE USE = 500.0 AF/A

ACRES 304.2 X CONSUMPTIVE VOL. AF/A FOR AREA 2.5 =

TOTAL CONSUMPTIVE USE 772 AF/A

3. IRRIGATION DIVERSION VOLUME

CLAIMED DIVERSION VOLUME = AF/A

ACRES 304.2 X DIVERSION VOL. AF/A FOR AREA 3.5 =

318
TOTAL DIVERSION VOLUME 1082.2 AF/A

1113

4. CALCULATIONS FOR USES OTHER THAN IRRIGATION:

SEE ATTACHED SHEET? Y() N(✓)

1B. CALCULATIONS

Reduction of Accuagor results in
a diversion rate in excess of 0.02
CFS/ACRE. Allow for 0.22 CFS
conveyance losses.

6.40
- 6.18 6.36
0.22 cfs
.04

NOTES: (INCLUDE LIMITATIONS ON CONSUMPTIVE USE FOR COMBINED RIGHTS.)

RECOMMENDATIONS:

REC. PURPOSES	REC. PERIOD FROM TO	REC. DIV RATE CFS	REC. DIV VOL. AF/A	REC. CONS. USE
IRRIGATION	04-01 11-01	DATABASE 5.430 EXAMINER 6.40	DATABASE EXAMINER	DATABASE EXAMINER
TOTAL FOR THIS RIGHT		6.430 6.40	1082.2 1113	800-T 773

REVIEWED BY: 20 DATE: 7-19-94

at 7-26-94

Modified
Remarks DOZ 0.22 cfs ~~losses to damage~~

at 5-7-99

A. CHECK ONLY THE FOLLOWING THAT APPLY:

OWNERSHIP _____
FORFEIT/ABANDON _____
ADDITIONAL DIV. AMOUNT _____

ACCEPTED AS CLAIMED	NEEDS REVIEW
☒	☐
☒	☐

B. SPLIT WATER RIGHT REVIEW

ROOT WATER RIGHT NUMBER: 31-02446

TOTAL DIVERSION RATE OF WR SPLITS

DATABASE
6.400

EXAMINER

CFS

SPLITS:

OLD RIGHT NUMBERS	CURRENT CLAIM NUMBERS	DIVERSION RATE	CURRENT "R" CLAIM NUM.	"R" DIV. RATE	WR RIGHT NUMBERS	DIVERSION RATE
-	AS1-02446	6.400	-		31-02446	6.400
TOTAL CFS		6.400				6.400

DIVERSION RATE REVIEW

DO THE SUM CFS RATE OF THE SPLITS EQUAL THE ROOT RIGHT CFS RATE? (Y/N)
IF NO, IS THE WRITTEN REVIEW SHEET ATTACHED? (Y/N)

DATABASE
Y

FIELD
EXAMINER

NOTES:

no splits

AUTHENTICATION:

SIGNATURE: E. Nordquist

DATE: 7.19.94

NAME OF FIELD EXAMINER: E. Nordquist

TITLE: WR Agent

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM VERIFICATION REPORT

22343251
03/18/93

PAGE: 12
QUICKLOOK INFORMATION

CLAIM NUMBER: A31-92446

WR ELEMENT	FIELD EXAM Y/N	CORRESPONDENCE SENT/RECEIVED BY WHOM/DATE	FIELD EXAM BY WHOM/DATE	CHANGE CLAIM Y/N	VERIFIED BY CODE	COMPLETED REVIEW WHOM/DATE	COMPLETED DATA ENTRY WHOM/DATE	VERIFIED DATE WHOM/DATE
PRIORITY DATE			CF/EN 7-12-94	N	6	EN 7-19-94	EN 7-20-94	EN 7-20-94
POINT OF DIV	Y		✓	N	5			
SOURCE			✓	N	5			
PLACE OF USE	Y		✓	Y	5			
DIV. AMOUNT CFS/VOLUME				N	6			
CONSUMPTIVE USE	-			Y	6			
PURPOSES				N	5			
PERIOD OF USE				Y	6			
BASIS OF CLAIM				N	6			
REMARKS				N				

"VERIFIED BY" CODES

TOPO MAP/ORTHO-PQ = 1
ASCS MAP = 2
MASTER RECORDS = 3
AAPP PHOTOS = 4
FIELD EXAM = 5
OTHER (SEE REMARKS) = 6

THESE CODES ARE USED TO INDICATE HOW THE FIELD EXAMINER VERIFIED THE INFORMATION
USED FOR THIS FIELD EXAMINATION. INDICATED ARE ALL CODES WHICH APPLY.

Added
"Std." remark
CA 7-26-94
reset verified
date

BC updated
CA 7-26-94

RECEIVED

FEB 21 2001

Department of Water Resources

01/25/2001

NOTICE OF ERROR
REPLY

Please type or print clearly, fill out this form completely and mail.

Return this reply form to IDWR by the deadline date printed below if you want IDWR to change your recommendation or you want to let IDWR know that you agree with its recommendation.

YOUR DEADLINE FOR RETURNING A NOTICE OF ERROR REPLY IS: March 9, 2001

Water right number: 31-2446

CAROL L MECHAM
2300 N 598 E
MONTEVIEW ID 83435
Telephone Number: (208)657-2262

LARRY B MECHAM
2300 N 598 E
MONTEVIEW ID 83435
Telephone Number: (208)657-2262

1. Describe the portion of the proposed recommendation with which you disagree (e.g. priority date, period of use, source):

2. Describe the changes you wish to make in the proposed recommendation:

3. Give a brief explanation as to why you disagree with these portions:

☒ I AGREE with this proposed recommendation. *IF I understand it Right.*
no changes need to be made.

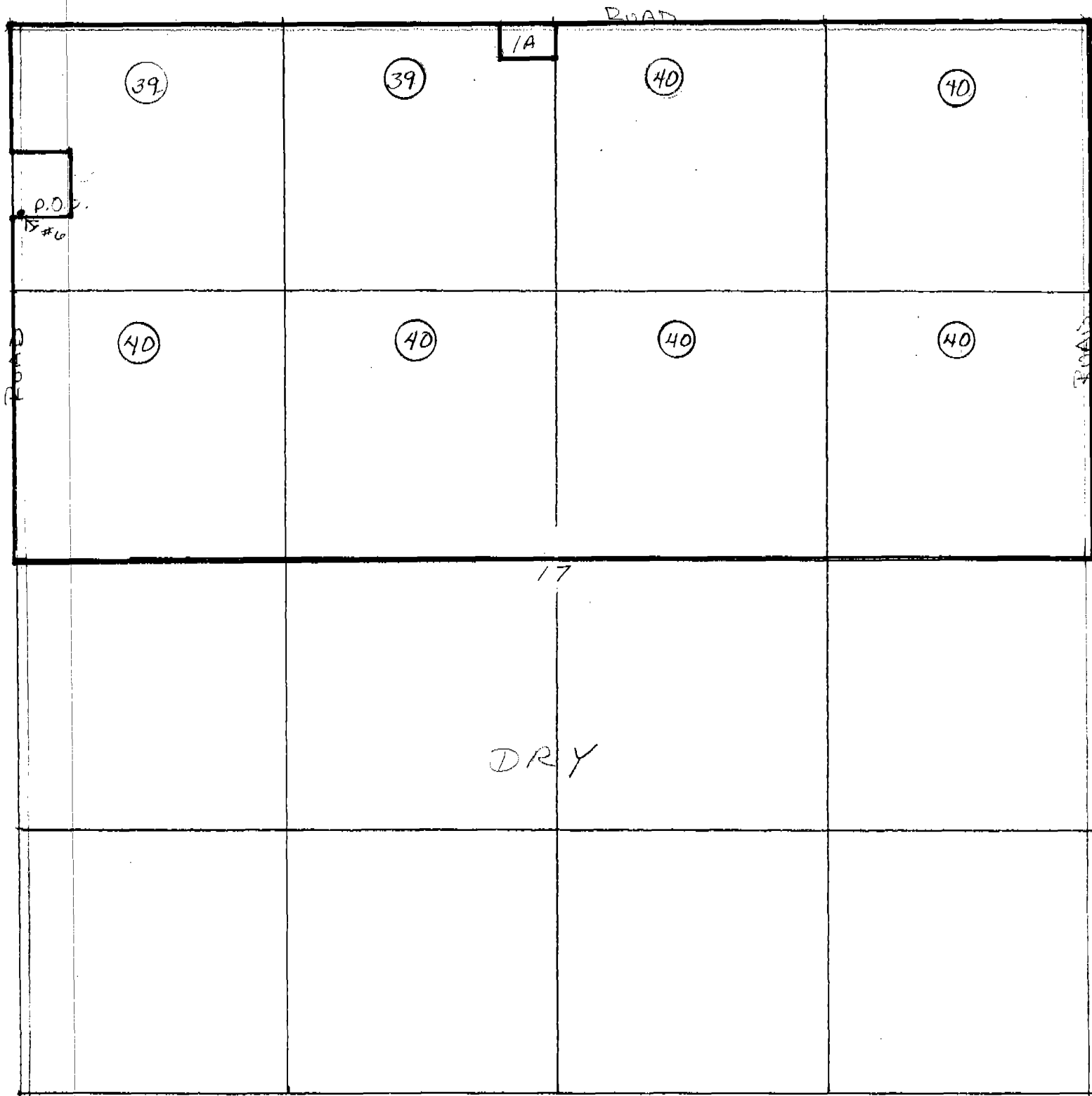
DATE: 15 Feb 2001 SIGNATURE: Larry B Mecham
Please print your name: LARRY B MECHAM

IDWR Regional Office, 900 N Skyline, Idaho Falls, ID 83402, 2085257161

Township	Range	Section	Quarter	Acres
07N	33E	17	NENE	40.0
07N	33E	17	NWNE	40.0
07N	33E	17	SWNE	40.0
07N	33E	17	SENE	40.0
07N	33E	17	NENW	39.0
07N	33E	17	NWNW	39.0
07N	33E	17	SWNW	40.0
07N	33E	17	SENW	40.0

318

CA 5-7-99



318 ac.

Scale 8.0" = 1.0 Mile

Township 7N Range 33E Section 17DATE 7-12-94OPQ MAP # W38 NAPP # W38 SWAGENT Fritschle & Norquest

③

②

④

66.1

84.0

40.9

ASL-024-11

②

76.9 NHCL

①

78.0 NHCL

x
HEL

⑦

89.6

①

32.1

T7N

R33E

1987 photo

HEL

⑧

13.2

⑤

34.3

⑥

34.4

④

77.6 NH

7

17 #1243

(140)

39.2

NHCL

②

27.3

NHCL

①

26.5

40

40

18

17/16

HEL

⑦

21.9

40

40

40

NHCL

⑧

24.6

HEL

⑨

79.5

151-00000

T 7 N
R 33 E

W 38 1980 +

8

Well
4792

9

10

39.2

39

40

40

40

40

5

5

20

21

22

BM 4793

4793

S
T
A
T
I
O
N

BM 4791

A
L

29

28

27

W38 1969

7N 33E

A31-02146

T 7N
R 33E

5

4

4870

T. 8 N.

T. 7 N.

4796

4791

4791

4790

Well

4869

6

4800

57'30"

Borrow Pit

4792

4792

4790

4868

7

Well
4791

8

Well
4792

9

Well

4867

7

4790

4792

4791

4788

Well

Well

Well
4789

36.2

38

39

38

39

40

40

39

17

16

18

4790

4865

4790

4788

4786

4864

19

55'

BM 4793 X

4793

20

21

28

T A T I O N

34.71-1 NW
(CIRCULAR BUTTE NW)
BLUE-DOME 22 MI.
5 MI. TO IDAHO 22

31
34

7-12-94 CR

T 7 N R 33 E Sec. 17 N $\frac{1}{2}$

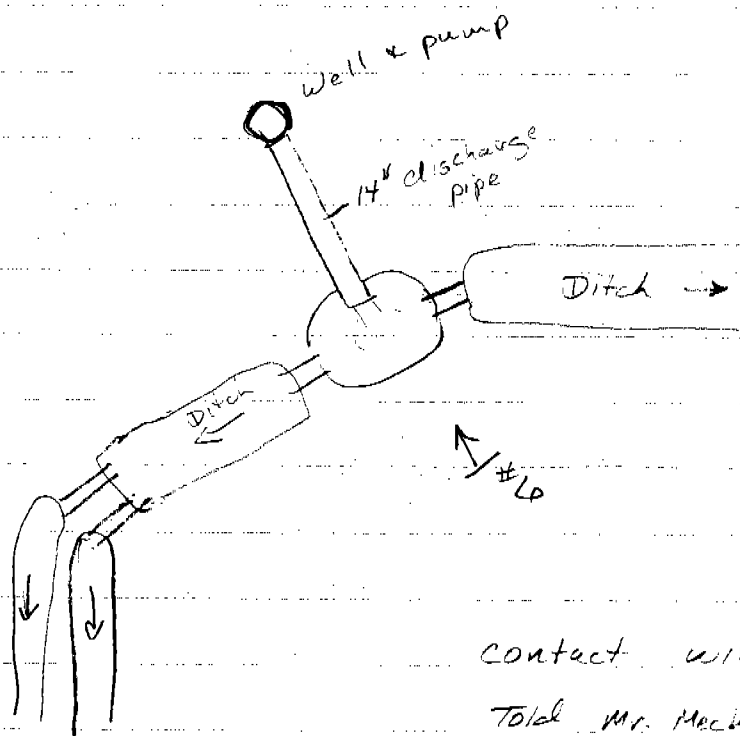
1 well discharges into open ditch - ditches
distribute water to north $\frac{1}{2}$ sec. 17. Flood
(border) irrigation - alfalfa & barley
system is operating

Westinghouse 300 HP motor

S.N. 676 A 650 G 06

Johnston turbine pump 12" discharge pipe

1-6 Photo #6 Looking N.W. at well & pump from
E.N. approx. 25' from the end of the
discharge pipe



contact with Mr. Mecham

Told Mr. Mecham we were verifying the p.o.d.
and p.o.u for his SRBA claim. He said
the one well irrigates the 320 acres.

Claim identification no. A31-02446

MECHAN

1-6

2-12-94

T7N R33E Sec 17

N/2



LOOKING NW AT WELL AND PUMP FROM APPROX 25' FROM
THE END OF THE DISCHARGE PIPE.

State of Idaho
Department of Water Administration

LICENSE OF WATER RIGHT

License of Water Right No. 32349/31-2446 Priority May 3, 1965 Amount 6.40 cfs

THIS IS TO CERTIFY, that Columbia Beneficial Holdings, Ltd.
of West Vancouver, British Columbia, has complied with the terms and conditions of Permit
No. 32349/31-2446 issued pursuant to Application for Permit dated May 3, 1965
and has submitted proof to the Department of Water Administration on May 6, 1970
that he has applied water to a beneficial use; an examination by the Department indicates that the
works have a capacity of 6.79 cfs, and that the water has in fact been applied to a
beneficial use; a right to the use of water from a ground water source
tributary of _____, is hereby confirmed in the following amounts:
Amount 6.40 cfs for Irrigation from April 1 to Nov. 1 (both dates inclusive)
Amount _____ for _____ from _____ to _____ (both dates inclusive)
Amount _____ for _____ from _____ to _____ (both dates inclusive)
Subject, however, to the condition that no more than 6.40 cfs of water be diverted at
any one time, said waters to be diverted within the _____

NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 17, Twp. 7 N, Rge. 33 E, B.M.

in the county of Jefferson; and that the amount of water so diverted and to which such
right is entitled and confirmed is for the purposes aforesaid and is limited to the amount which can
actually be beneficially used and shall not exceed 960 acre feet per year or
3.0 acre feet per acre.

Description and location of place of use:

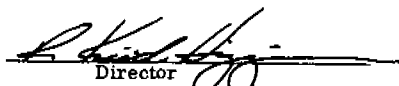
TWP.	RANGE	SEC.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				TOTALS
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
7 N	33 E	17	40	40	40	40	40	40	40	40									320

Total number of acres irrigated 320

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands
or place of use herein described, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 19 day of

April, 19 72.


Director

31 2446

STATE OF IDAHO
DEPARTMENT OF RECLAMATION
BOISE, IDAHO
REPORT OF EXAMINER

31-2446
Permit No. G-32349/29-2565

- This proof is for b/u In Water District No. _____
1. Name of applicant Columbia Beneficial Holdings, Ltd. 203 14th St., West Vancouver, B. C., Canada
2. Source of water supply: groundwater
3. Location of point of diversion: Is in the NW1/4 of Section 17
T. 7 N R. 33 E County of Jefferson
4. Describe works as they exist, giving dimensions and capacities of same: 490' well 20" 61' 2"
of 20" steel casing; standing water 206'; 300 HP motor; 303' draw down; 1500 RPM;
pumped direct to canal on land 5' wide x 2 1/2' deep, diverted by 15" headgate to lands 120'
x 800'
5. Water is used for: irrigation
6. State whether or not water has been turned into works of diversion: yes
7. List legal subdivisions of lands to be irrigated. If proof is for beneficial use, give exact number of acres under cultivation in each forty-acre tract. (Describe manner and place of use if other than irrigation):
N 1/2 T. 7 N, R. 33 E, Sec. 17 320 acres

Westinghouse Motor
300 H.P.
Sec. 67465000.655-65

Johnston Pump
No. 512 Number
14" discharge

(Submit map on attached plat, showing location and details of above description.)

8. What large stream would the water here appropriated finally reach?
Remarks: contact Rigby & Thatcher, Attys. at Law, 25 North 2nd East, P.O. Box 362,
Rexburg, Idaho 83440

Measured water with pump meter at 6.79 cfs

Water is pumped into earth ditches with
headgates for flood irrigation

This examination was made on the 20th day of July, 19 71
(Signed) Fred E. Smith
Examiner.

T
7
N

40 40 40 40
40 40 40 40
SEC 17

Road

Q measured 6.79
Q recommended 6.4
Volume 3 x 320 = 960 AF/Season Apr. 1 to Nov. 1
Acreage -
Found 320
recommended 320
Subdv. 8
Amendments
☒ None
☐ S.D.
☐ Place of use
☐

This proof

1. Name

2. Source

3. Location

T.

4. Description

of 20

pumps

x 800

5. Water

6. State

7. List 1

of ac

than i

N₂

West

320

See

8. What

Remarks:

M

W

ha

This

STATE OF IDAHO
DEPARTMENT OF RECLAMATION
BOISE, IDAHO

REPORT OF EXAMINER

31-2446
Permit No. G-32349/~~29-2505~~

- This proof is for b/u In Water District No. _____
1. Name of applicant Columbia Beneficial Holdings, Ltd. 203 14th St., West Vancouver, B. C., Canada
2. Source of water supply: groundwater
3. Location of point of diversion: Is in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17
T. 7 N. R. 33 E. County of Jefferson
4. Describe works as they exist, giving dimensions and capacities of same: 490' well 20"; 61' 2"
of 20" steel casing; standing water 206'; 300 HP motor; 303' draw down; 1500 RPM;
pumped direct to canal on land 5' wide x 2 $\frac{1}{2}$ ' deep, diverted by 15" headgate to lands 120'
x 800'
5. Water is used for: irrigation
6. State whether or not water has been turned into works of diversion: yes
7. List legal subdivisions of lands to be irrigated. If proof is for beneficial use, give exact number of acres under cultivation in each forty-acre tract. (Describe manner and place of use if other than irrigation):
N $\frac{1}{2}$ T. 7 N., R. 33 E., Sec. 17 320 acres

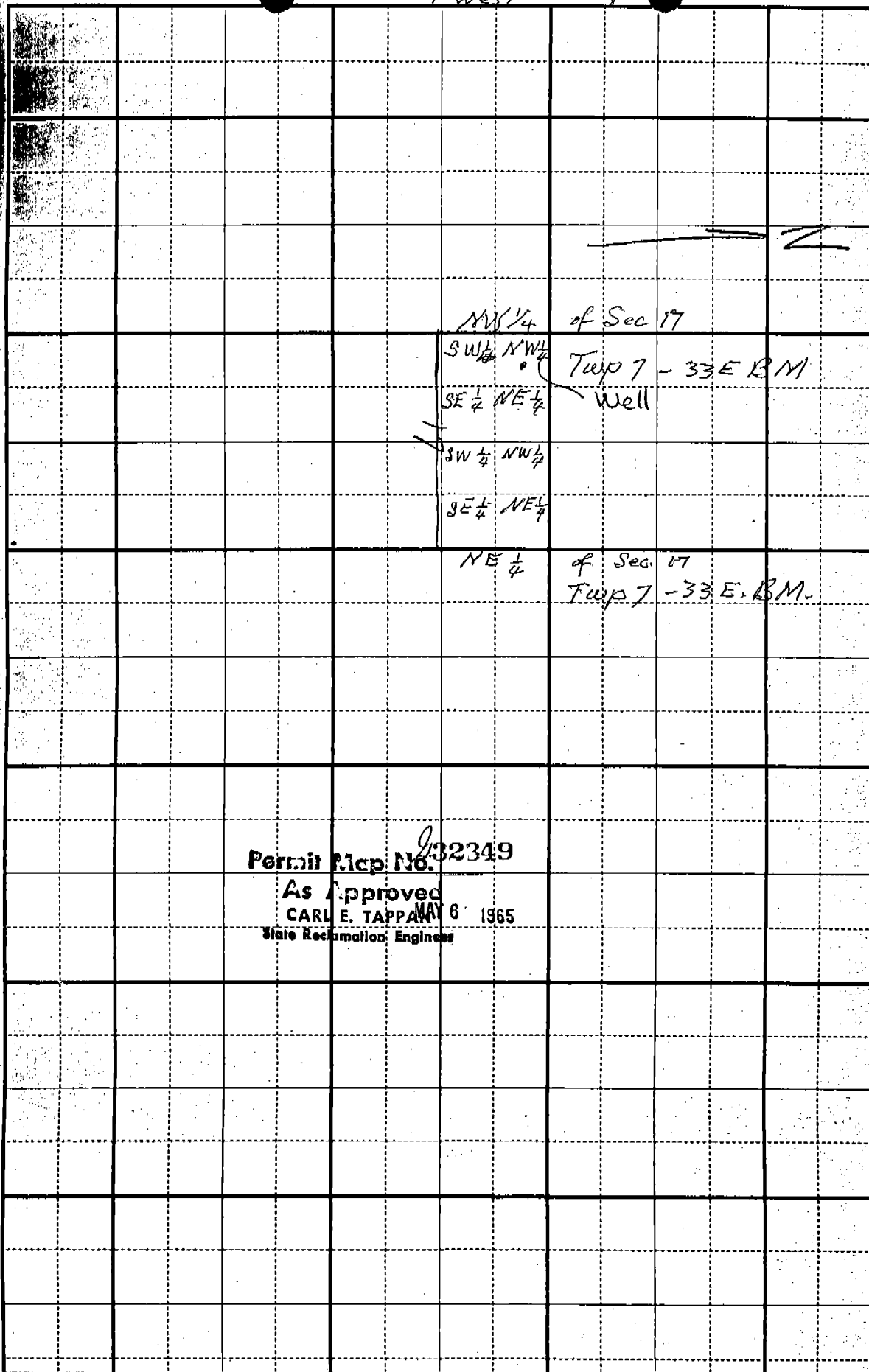
Westinghouse Motor Johnston Pump
300 H.P. No S.E. Number
Seri. 676465000655-65 14" discharge

(Submit map on attached plat, showing location and details of above description.)

8. What large stream would the water here appropriated finally reach? _____
- Remarks: contact Rigby & Thatcher, Attys. at Law, 25 North 2nd East, P.O. Box 362,
Rexburg, Idaho 83440

Measured water with pricing meter at 6.79 cfs
Water is pumped into east ditch with
headgate for flood irrigation

This examination was made on the 20th day of July, 19 71
(Signed) Fred E. Smith, Jr.
Examiner.



APPLICATION FOR PERMIT

To Appropriate the Subterranean Waters of The State of Idaho

Application No. G-40498
Permit No. G-32349
District No.

- 29-2-11
31-2446
1. Name of Applicant: Columbia Beneficial Holdings, Ltd.
Postoffice address: West Vancouver County: State: British Columbia
 2. Quantity of water claimed: 320 M. Ins. or 6.4 c.f.s.
 - (a) Rate of withdrawal in cubic feet per second or Idaho
Miners' inches or gallons per minute
 - (b) Annual withdrawal in acre feet per annum
 3. Source of water supply: Subterranean
 4. Location of point of diversion or well is in the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 17
Twp. 7 N., Rge. 33 E., B.M., County of Jefferson
 5. Water is to be used for: Irrigation
 6. If for municipal, industrial or recreational purposes, give:
 - (a) Point of use of water is in the $\frac{1}{4}$ of the $\frac{1}{4}$ of Section , Twp.
Rge. , B.M.
 - (b) Waste water or sewage effluent is to be returned to
at a point in the $\frac{1}{4}$ of the $\frac{1}{4}$ of Section , Twp. , Rge. , B.M.
 7. Kind of works: Surface irrigation
 8. Estimated cost of works: \$6,000 for well plus \$4000 for pump
 9. (a) Is reservoir to be used? no
(b) Capacity of reservoir:
 10. The time required for the completion of such work and complete application of the water to the proposed use is 5 years.
 11. If applicant is a corporation, give:
 - I. (a) Date and place of incorporation: April 20, 1964 Vancouver, British Columbia
 - (b) Amount of capital stock: \$10,000,000.00 (c) Amount paid in: \$ 3,200,000.00
 - (d) Names and addresses of directors: H.S. Reed, 203 11th St., West Vancouver; R.A. Stucki, 1750 Esquimalt, West Van.; A.R. Heath, 870 Greenwood, West Van.; D.W. Rowberry, 925 Groveland, West Van.; A.N. Murdock, Sage Mega, Penticton, B.C.; P.G. Lorcher, 796 Grace Drive, Pocatello, Idaho; J.R. Hawthorne, 287 Kipling, Toronto, Ontario.
 - II. The financial resources of the applicant are (a) Cash on hand: \$500,000.00
 - (b) Treasury stock: 1,500,000 shares (c) Bonds to be issued: None
 - (d) Other resources: Wholly owned Subsidiary Co. - B.C. Life & Casualty Co.
 12. The land to be irrigated is described in the following tabulation:
 13. Existing water rights and/or valid permits appurtenant to the lands to be irrigated are: None
 - (a) (cubic feet per second, inches or gallons per minute) of the water herein applied for is to be supplemental to the existing water rights.
 - (b) 6.4 (cubic feet per second, inches or gallons per minute) is for new lands.

[illegible]

QUALITY REVIEW CHECKLIST FOR REPORT READY SRBA CLAIMS

	N/A	YES	NO	*
1. Does the name and address meet the USPS and our data entry standards?		☒		
2. Does the CVR contain information as to how the priority date was determined?		☒		
If the claim is based on beneficial use, is there an analysis of the evidence of priority submitted?	☒			
Is the stage code correct?		☒		
Did the reviewer initial the recommendation of the priority date?		☒		
3. Does the CVR contain information as to how the point of diversion was determined?		☒		
Did the reviewer initial the recommendation of the point of diversion and the source and tributary?		☒		
Does the CVR contain a description of the system that includes information as to how the source and/or tributary were determined?		☒		
4. Does the CVR contain information as to how the place of use and number of acres (for irrigation rights) were determined?		☒		
Did the reviewer initial the recommendation of the place of use?		☒		
5. Does the CVR contain information as to how the nature of use and the season of use were determined?		☒		
Does the CVR contain information as to how the diversion rate was determined?		☒		
Does the CVR contain information as to how the diversion volume was determined?		☒		
Does the CVR contain information as to how the consumptive use volume was determined?		☒		
Did the reviewer initial the recommendation of the nature of use, the season of use, the rate of diversion, the diversion volume and the consumptive use volume?		☒		
6. If the claim is based on a right recorded with IDWR, was the total diversion rate claimed?		☒		
If the total diversion rate was not claimed, is a review sheet attached?	☒			
7. If the claim is based on a right that has conditions/remarks, have these conditions/remarks been considered in the recommendation?		☒		
Are all appropriate conditions/remarks included in the recommendation?		☒		
8. If remarks are included, are the remarks consistent with the "standard remarks" described in Adjudication Memo 32?			☒	
9. If this claim is not being recommended, is the status code correct?	☒			
10. Did the reviewer sign the CVR?		☒		
11. Has the "quicklook" page been completed?		☒		
12. If additional documents were used in the investigation of this right, are copies of those documents included in the file, or is there a reference to the identity and location of the documents?		☒		
13. Does the file contain a copy of the recommended right?		☒		

* See attachment for additional information or explanation.

Quality control review by CA date 7-26-94 Data entry changes by CA date 7-26-94

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

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

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 No(s).: 31-2446

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

Zions First National Bank

219 East Main
PO Box 54

Rigby, ID 83442

*added lienholder
4-25-01
JC*

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

Carol L Mecham and Larry B Mecham

5. Expiration Date of Notification Period April 20, 2011

6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO

7. Signature(s) (and title if applicable) Zions First National Bank

By: *[Signature]*
Dan L Hammon, VP & Manager

For Office Use Only

Received by <u>JC</u>	Date <u>4-25-01</u>	Fee <u>\$25-</u>
Receipted by <u>JC</u>	Date <u>4-25-01</u>	Receipt No. <u>E026663</u>
Processed by _____	AJ Date _____	WR _____ Date _____

RECORDATION REQUESTED BY:

ZIONS FIRST NATIONAL BANK
RIGBY
219 EAST MAIN, P.O. BOX 54
RIGBY, ID 83442

WHEN RECORDED MAIL TO:

ZIONS FIRST NATIONAL BANK
Loan Servicing Group 863-C
2460 South 3270 West
West Valley City, UT 84119

Copy
Recorded 4/10/01
#307531 @ 3:40

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE dated April 9, 2001, is made and executed between LARRY B. MECHAM and CAROL LEE MECHAM, HUSBAND AND WIFE (referred to below as "Grantor") and ZIONS FIRST NATIONAL BANK, whose address is 219 EAST MAIN, P.O. BOX 54, RIGBY, ID. 83442 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in JEFFERSON County, State of Idaho:

TOWNSHIP 7 NORTH, RANGE 33, EAST BOISE MERIDIAN, IN JEFFERSON COUNTY, IDAHO.

SECTION 17: N 1/2

EXCEPTING THEREFROM: A PARCEL OF LAND SITUATED IN JEFFERSON COUNTY, STATE OF IDAHO, SECTION 17, TOWNSHIP 7 NORTH, RANGE 33 EAST, BOISE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 17, TOWNSHIP 7 NORTH, RANGE 33 EAST, BOISE MERIDIAN; THENCE SOUTH ALONG THE WEST LINE OF SAID SECTION 17 FOR A DISTANCE OF 646.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH FOR A DISTANCE OF 208.71 FEET; THENCE EAST FOR A DISTANCE OF 208.71 FEET; THENCE NORTH FOR A DISTANCE OF 208.71 FEET; THENCE WEST FOR A DISTANCE OF 208.71 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM: COUNTY ROAD RIGHT OF WAY ALONG THE WEST AND NORTH SIDES OF SAID PROPERTY.

WATER LICENSE/ ADJUDICATION CLAIM #31-2446. PRIORITY DATE 5-3-1965. 6.4 CFS FOR 320 ACRES, TOGETHER WITH ANY AND ALL WATER RIGHTS NOW OWNED OR HEREAFTER ACQUIRED WHICH ARE APPURTENANT THERETO.

The Real Property or its address is commonly known as 2188 NORTH 400 EAST, MONTEVIEW, ID 83435. The Real Property tax identification number is 07N33E170001.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of

the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that

coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by

Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any related document.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage, the Note, or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not

remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration Disclosures.

1. ARBITRATION IS FINAL AND BINDING ON THE PARTIES AND SUBJECT TO ONLY VERY LIMITED REVIEW BY A COURT.
2. IN ARBITRATION THE PARTIES ARE WAIVING THEIR RIGHT TO LITIGATE IN COURT, INCLUDING THEIR RIGHT TO A JURY TRIAL.
3. DISCOVERY IN ARBITRATION IS MORE LIMITED THAN DISCOVERY IN COURT.
4. ARBITRATORS ARE NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING IN THEIR AWARDS. THE RIGHT TO APPEAL OR SEEK MODIFICATION OF ARBITRATORS' RULINGS IS VERY LIMITED.
5. A PANEL OF ARBITRATORS MIGHT INCLUDE AN ARBITRATOR WHO IS OR WAS AFFILIATED WITH THE BANKING INDUSTRY.
6. ARBITRATION WILL APPLY TO ALL DISPUTES BETWEEN THE PARTIES, NOT JUST THOSE CONCERNING THE AGREEMENT.
7. IF YOU HAVE QUESTIONS ABOUT ARBITRATION, CONSULT YOUR ATTORNEY OR THE AMERICAN ARBITRATION ASSOCIATION.

(a) Any claim or controversy ("Dispute") between or among the parties and their employees, agents, affiliates, and assigns, including, but not limited to, Disputes arising out of or relating to this agreement, this arbitration provision ("arbitration clause"), or any related agreements or instruments relating hereto or delivered in connection herewith ("Related Agreements"), and including, but not limited to, a Dispute based on or arising from an alleged tort, shall at the request of any party be resolved by binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association (the "Administrator"). The provisions of this arbitration clause shall survive any termination, amendment, or expiration of this agreement or Related Agreements. The provisions of this arbitration clause shall supersede any prior arbitration agreement between or among the parties.

(b) The arbitration proceedings shall be conducted in a city mutually agreed by the parties. Absent such an agreement, arbitration will be conducted in Boise, Idaho or such other place as may be determined by the Administrator. The Administrator and the arbitrator(s) shall have the authority to the extent practicable to take any action to require the arbitration proceeding to be completed and the arbitrator(s)' award issued within 150 days of the filing of the Dispute with the Administrator. The arbitrator(s) shall have the authority to impose sanctions on any party that fails to comply with time periods imposed by the Administrator or the arbitrator(s), including the sanction of summarily dismissing any Dispute or defense with prejudice. The arbitrator(s) shall have the authority to resolve any Dispute regarding the terms of this agreement, this arbitration clause, or Related Agreements, including any claim or controversy regarding the arbitrability of any Dispute. All limitations periods applicable to any Dispute or defense, whether by statute or agreement, shall apply to any arbitration proceeding hereunder and the arbitrator(s) shall have the authority to decide whether any Dispute or defense is barred by a limitations period and, if so, to summarily enter an award dismissing any Dispute or defense on that basis. The doctrines of compulsory counterclaim, res judicata, and collateral estoppel shall apply to any arbitration proceeding hereunder so that a party must state as a counterclaim in the arbitration proceeding any claim or controversy which arises out of the transaction or occurrence that is the subject matter of the Dispute. The arbitrator(s) may in the arbitrator(s)' discretion and at the request of any party: (1) consolidate in a single arbitration proceeding any other claim arising out of the same transaction involving another party to that transaction that is bound by an arbitration clause with Lender, such as borrowers, guarantors, sureties, and owners of collateral; and (2) consolidate or administer multiple arbitration claims or controversies as a class action in accordance with Rule 23 of the Federal Rules of Civil Procedure.

(c) The arbitrator(s) shall be selected in accordance with the rules of the Administrator from panels maintained by the Administrator. A single arbitrator shall have expertise in the subject matter of the Dispute. Where three arbitrators conduct an arbitration proceeding, the Dispute shall be decided by a majority vote of the three arbitrators, at least one of whom must have expertise in the subject matter of the Dispute and at least one of whom must be a practicing attorney. The arbitrator(s) shall award to the prevailing party recovery of all costs and fees (including attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees). The arbitrator(s), either during the pendency of the arbitration proceeding or as part of the arbitration award, also may grant provisional or ancillary remedies including but not limited to an award of injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver.

(d) Judgement upon an arbitration award may be entered in any court having jurisdiction, subject to the following limitation: the arbitration award is binding upon the parties only if the amount does not exceed Four Million Dollars (\$4,000,000.00); if the award exceeds that limit, either party may demand the right to a court trial. Such a demand must be filed with the Administrator within thirty (30) days following the date of the arbitration award; if such a demand is not made with that time period, the amount of the arbitration award shall be binding. The computation of the total amount of an arbitration award shall include amounts awarded for attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees.

(e) No provision of this arbitration clause, nor the exercise of any rights hereunder, shall limit the right of any party to: (1) judicially or non-judicially foreclose against any real or personal property collateral or other security; (2) exercise self-help remedies, including but not limited to repossession and setoff rights; or (3) obtain from a court having jurisdiction thereover any provisional or ancillary remedies including but not limited to injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver. Such rights can be exercised at any time, before or after initiation of an arbitration proceeding, except to the extent such action is contrary to the arbitration award. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration, and any claim or controversy related to the exercise of such rights shall be a Dispute to be resolved under the provisions of this arbitration clause.

Any party may initiate arbitration with the Administrator. If any party desires to arbitrate a Dispute asserted against such party in a complaint, counterclaim, cross-claim, or third-party complaint thereto, or in an answer or other reply to any such pleading, such party must make an appropriate motion to the trial court seeking to compel arbitration, which motion must be filed with the court within 45 days of service of the pleading, or amendment thereto, setting forth such Dispute. If arbitration is compelled after commencement of litigation of a Dispute, the party obtaining an order compelling arbitration shall commence arbitration and pay the Administrator's filing fees and costs within 45 days of entry of such order. Failure to do so shall constitute an agreement to proceed with litigation and waiver of the right to arbitrate. In any arbitration commenced by a consumer regarding a consumer Dispute, Lender shall pay one half of the Administrator's filing fee, up to \$250.

(f) Notwithstanding the applicability of any other law to this agreement, the arbitration clause, or Related Agreements between or among the parties, the Federal Arbitration Act, 9 U.S.C. Section 1 et seq., shall apply to the construction and interpretation of this arbitration clause. If any provision of this arbitration clause should be determined to be unenforceable, all other provisions of this arbitration clause shall remain in full force and effect.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by, construed and enforced in accordance with federal law and the laws of the State of Idaho. This Mortgage has been accepted by Lender in the State of Idaho.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of ADA County, State of Idaho.

Joint and Several Liability. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means LARRY B. MECHAM and CAROL LEE MECHAM, and all other persons and entities signing the Note in whatever capacity.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means LARRY B. MECHAM and CAROL LEE MECHAM.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or

waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means ZIONS FIRST NATIONAL BANK, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated April 9, 2001, in the original principal amount of \$100,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is April 20, 2011.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x Larry B Mechem
LARRY B. MECHAM, Individually

x Carol Lee Mecham
CAROL LEE MECHAM, Individually

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IDAHO

3

) \$\$

COUNTY OF JEFFERSON

1

On this 10TH day of APRIL, in the year 20 01, before me the undersigned, a notary public in and for the State of Idaho, personally appeared LARRY B. MECHAM and CAROL LEE MECHAM, known or identified to me (or proved to me on the oath of _____), to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Notary Public for Idaho

Residing at

My commission expires

GRANT W. BOEHME, NOTARY PUBLIC
RESIDING AT: REXBURG, IDAHO
MY COMMISSION EXPIRES: 6/17/2003