

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 63-32034  
Date Received: 4/14/1989  
Receipt No: X777777  
Received By:

**NOTICE OF CLAIM TO A WATER RIGHT  
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s)

LONNIE L SVEDIN Phone: (208)495-2062  
7833 S ROBINSON RD  
MELBA ID USA 83641

LYNNE SVEDIN Phone: (208)495-2062  
7833 S ROBINSON RD  
MELBA ID USA 83641

2. Date of Priority: 11/21/1962

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

| Township | Range | Section | 1/4 of 1/4 of 1/4 Lot | County | Type |
|----------|-------|---------|-----------------------|--------|------|
| 01N      | 01W   | 8       | NW SE                 | ADA    |      |

5. Description of diverting works:

WELL WITH TURBO PUMP

6. Water is used for the following purposes:

| Purpose    | From  | To    | C.F.S. | (or) A.F.A |
|------------|-------|-------|--------|------------|
| IRRIGATION | 04/01 | 10/31 | 2.76   | 905.2      |

7. Total Quantity Appropriated is:  
2.76 C.F.S.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

| Township | Range | Section | 1/4 | of 1/4 | Lot | Use           | Acres |
|----------|-------|---------|-----|--------|-----|---------------|-------|
| 01N      | 01W   | 8       | NE  |        | SW  | IRRIGATION    | 19    |
|          |       |         | SE  |        | SW  | IRRIGATION    | 23    |
|          |       |         | NE  |        | SE  | IRRIGATION    | 12    |
|          |       |         | NW  |        | SE  | IRRIGATION    | 39    |
|          |       |         | SW  |        | SE  | IRRIGATION    | 39    |
|          |       |         | SE  |        | SE  | IRRIGATION    | 38    |
|          |       |         |     |        |     | Section Acres | 170   |
| 01N      | 01W   | 17      | NW  |        | NW  | IRRIGATION    | 2     |
|          |       |         | SW  |        | NW  | IRRIGATION    | 29    |
|          |       |         |     |        |     | Section Acres | 31    |
|          |       |         |     |        |     | Total Acres   | 201   |

11. Place of use in counties: ADA

12. Do you own the property listed above as place of use? No

13. Other Water Rights Used:

14. Remarks:

This right is a split from former right 63-31275.

15. Basis of Claim: License

**STATE OF IDAHO**  
**DEPARTMENT OF WATER RESOURCES**  
**NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP**

**RECEIVED****JAN 10 2005**DEPARTMENT OF  
WATER RESOURCES

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.  
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

| Water<br>Right No(s). | Adjudication<br>Claim No(s). | Split | Water<br>Right No(s). | Adjudication<br>Claim No(s). | Split |
|-----------------------|------------------------------|-------|-----------------------|------------------------------|-------|
|                       | 63-31275                     | ✓     |                       |                              |       |
| now                   | 63-32036                     |       |                       |                              |       |
|                       |                              |       |                       |                              |       |
|                       |                              |       |                       |                              |       |
|                       |                              |       |                       |                              |       |
|                       |                              |       |                       |                              |       |

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

☒ A. The appropriate **FILING FEE**. See instructions for fee amounts.

☒ B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**. *we have!*

C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):  
 PLAT OF PROPERTY or SURVEY MAP clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

**OR**

If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the PLAT OF PROPERTY or SURVEY MAP.

3. Name and Address of Former Owner/Claimant(s)

Robert & Kaye Svedin7605 S. Robinson IONA ID 83634

4. New Owner/Claimant(s)

Lonnie Lynne SvedinName Connector (Check one): [ ] and, [ ] or, ☒ & and/or

New Mailing Address

7833 S Robinson Rd.

City, State and ZIP Code

melba ID 83641

New Telephone Number

(206) 495-2062

5. Date you acquired the property

13 Dec - 04

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WATER RESOURCES

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

| DESCRIPTION OF YOUR PORTION OF WATER RIGHT<br>(If the right(s) will not be split, skip this area and proceed to item 7) |                                                                            |                                                              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Water Right and/or Adjudication Claim Number _____                                                                      |                                                                            |                                                              |
| Water Use                                                                                                               | Diversion Rate or Volume<br>(cubic feet per second or acre-feet per annum) | Description<br>(acres, number and type of stock, homes, etc) |
| Irrigation                                                                                                              | _____                                                                      | _____                                                        |
| Stock                                                                                                                   | _____                                                                      | _____                                                        |
| Domestic                                                                                                                | _____                                                                      | _____                                                        |
| Other _____                                                                                                             | _____                                                                      | _____                                                        |
| <b>Total</b>                                                                                                            | _____                                                                      | _____                                                        |

| DESCRIPTION OF YOUR PORTION OF WATER RIGHT<br>(If the right(s) will not be split, skip this area and proceed to item 7) |                                                                            |                                                              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Water Right and/or Adjudication Claim Number _____                                                                      |                                                                            |                                                              |
| Water Use                                                                                                               | Diversion Rate or Volume<br>(cubic feet per second or acre-feet per annum) | Description<br>(acres, number and type of stock, homes, etc) |
| Irrigation                                                                                                              | _____                                                                      | _____                                                        |
| Stock                                                                                                                   | _____                                                                      | _____                                                        |
| Domestic                                                                                                                | _____                                                                      | _____                                                        |
| Other _____                                                                                                             | _____                                                                      | _____                                                        |
| <b>Total</b>                                                                                                            | _____                                                                      | _____                                                        |

7. Signature of New Owner(s) or Claimant(s) \_\_\_\_\_  
(include title if applicable)

*Lynn L. L. L.*  
*Lynn L. L. L.*

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

#### For Office Use Only

Received by \_\_\_\_\_ Date \_\_\_\_\_ Fee \_\_\_\_\_  
 Receipted by \_\_\_\_\_ Date \_\_\_\_\_ Receipt No. \_\_\_\_\_  
 Processed by *Adhron* AJ Date *1-14-05* WR \_\_\_\_\_ Date \_\_\_\_\_

T 1712

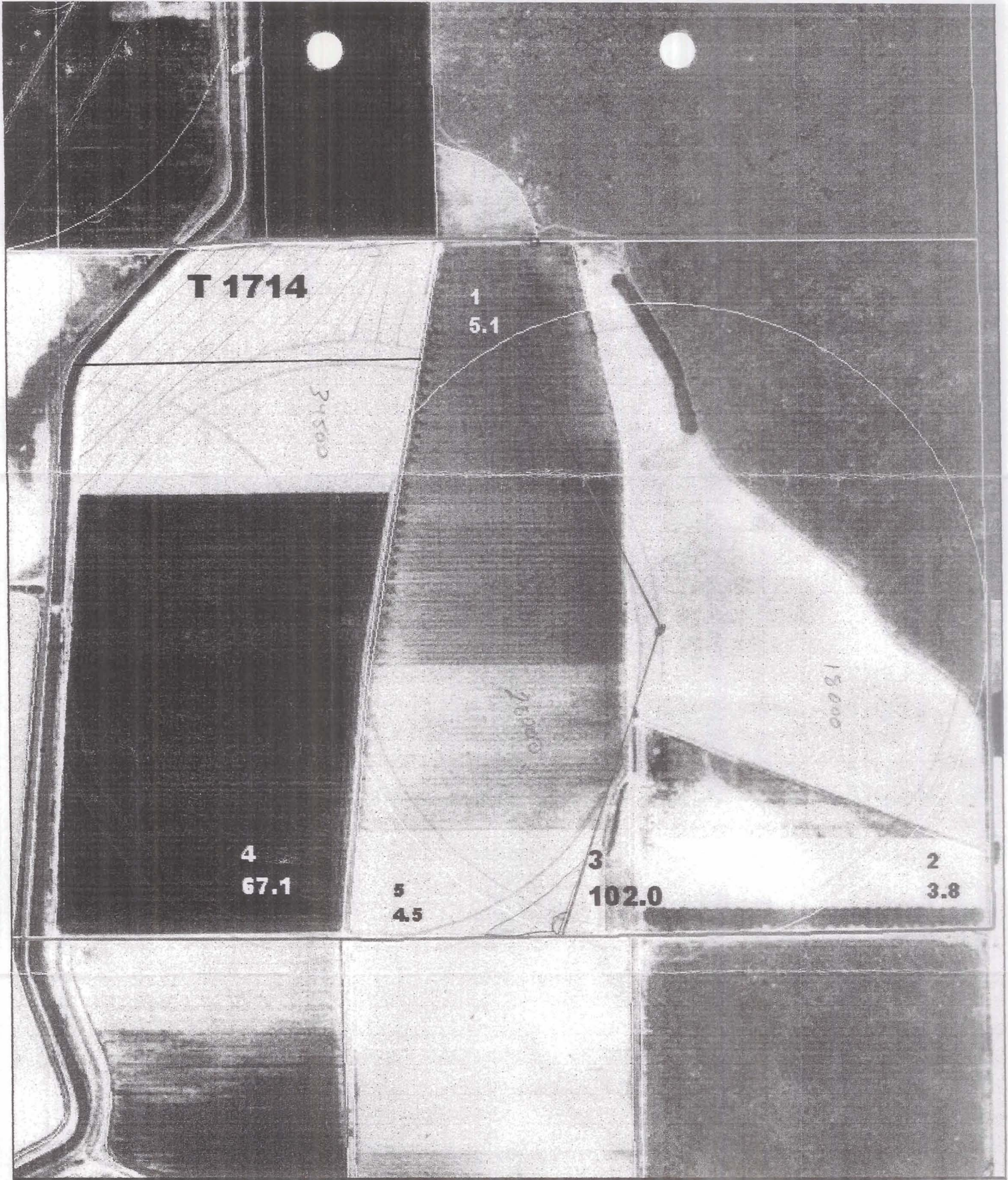
1  
38.8

T1712

0.03 0 0.03 0.06 0.09 0.12 Miles



Map Printed: Oct 27, 2004



**T1714**

0.05 0 0.05 0.1 0.15 0.2 Miles

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N  
Map Printed: Oct 27, 2004

**EXHIBIT A**

Section 8, Township 1 North, Range 1 West, Boise Meridian, Ada County, Idaho, the East 1/2 Southeast 1/4 of Section 8 and part of the West 1/4 Southeast 1/4 and East 1/2 Southwest 1/4, more particularly described as follows:

Beginning at a point on the section line 1317.8 feet West of the corner common to Sections 8, 9, 16 and 17, Township 1 North, Range 1 West, Boise Meridian running thence North 0 degree 04' East 2642 feet to the East and West 1/4 section line Through the center of Section 8; thence West on the section line through the center of the section 1567.3 feet to a point on the East right of way line of the Waldvogel Lateral Canal; thence South 44 degrees 18' West 550 feet along the East right of way line of the canal; thence South 21 degrees 55' West 220 feet; thence South 4 degrees 41' West 1995.2 feet along the East right of way line of the canal to the section line; thence East on the section line between Sections 8 and 17 a distance of 2199.8 feet to the Point of Beginning.

**ALSO:**

Section 17, Township 1 North, Range 1 West, Boise Meridian, Ada County, Idaho. The Southwest 1/4 Northwest 1/4 and all that part of the Northwest 1/4 Northwest 1/4 lying South of the Waldvogel Canal.

**EXCEPT:**

A part of the Southwest 1/4 Northwest 1/4 of Section 17, Township 1 North, Range 1 West, Boise Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the Southwest corner of said Southwest 1/4 Northwest 1/4, (West 1/4 corner), said corner monumented with a rail road spike; thence

North 89 degrees 50'48" East, a distance of 299.08 feet, (formerly 300.00 feet), along the South boundary of said Southwest 1/4 Northwest 1/4 to the Point of Beginning, said point monumented with a 1/2 inch diameter iron

Pin; thence continuing

North 89 degrees 50'48" East, a distance of 106.00 feet along the South boundary of said Southwest 1/4 Northwest 1/4 to a 1/2 inch diameter iron pin; thence

North 0 degree 04'00" West, a distance of 190.00 feet parallel with the West boundary of said Southwest 1/4 Northwest 1/4 to a 1/2 inch diameter iron pin; thence

South 89 degrees 50'48" West, a distance of 106.00 feet parallel with the South boundary of said Southwest 1/4 Northwest 1/4 to a 1/2 inch diameter iron pin; thence

South 0 degree 04'00" East, a distance of 190.00 feet parallel with the West boundary of said Southwest 1/4 Northwest 1/4 to the Point of Beginning.

Porter

L.S.  
[Signature]

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**AND EXCEPT:**

A part of the Southwest 1/4 Northwest 1/4 of Section 17, Township 1 North, Range 1 West, Boise Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the Southwest corner of said Southwest 1/4 Northwest 1/4, (West 1/4 corner), said corner monumented with a rail road spike; thence

North 89 degrees 50'48" East, a distance of 405.08 feet, (formerly 441.00 feet), along the South boundary of said Southwest 1/4 Northwest 1/4 to the Point of Beginning, said point monumented with a 1/2 inch diameter iron

pin; thence continuing

North 89 degrees 50'48" East, a distance of 400.00 feet, (formerly 350.00 feet), along the South boundary of said Southwest 1/4 Northwest 1/4 to a 1/2 inch diameter iron pin; thence

North 0 degree 04'00" West, a distance of 383.00 feet, (formerly 387.00

Feet), parallel with the West boundary of said Southwest 1/4 Northwest 1/4 to a 1/2 inch diameter iron pin; thence

South 89 degrees 50'48" West, a distance of 400.00 feet, (formerly 350.00 feet), parallel with the South boundary of said Southwest 1/4 Northwest 1/4 to a 1/2 inch diameter iron pin; thence

South 0 degree 04'00" East, a distance of 383.00 feet, (formerly 387.00 feet), parallel with the West boundary of said Southwest 1/4 Northwest 1/4 to the Point of Beginning.

**AND EXCEPT:**

A parcel of land located in the Southwest quarter of the Northwest quarter of Section 17, Township 1 North, Range 1 West, Boise Meridian, Ada County, Idaho, more particularly described as follows:

Commencing at the 1/4 corner common to Section 18 and the said Section 17, from which the Northwest corner of said Section 17 bears

North 00 degree 04'00" West, 2,668.63 feet; thence along the East-West mid-section line

North 89 degrees 50'48" East, 805.08 feet to the Real Point of Beginning; thence

North 00 degree 04'00" West, 549.84 feet; thence

North 89 degrees 50'48" East, 513.70 feet to a point on the East line of the Southwest 1/4 of the Northwest 1/4; thence along said line

South 00 degree 02'54" East, 549.84 feet to the C-W 1/16 corner; thence

South 89 degrees 50'48" West, 513.53 feet to the Point of Beginning.

Parcel Nos.: S2217233650, S2208311000, S2208410000

TOGETHER WITH ANY AND ALL WATER RIGHT NUMBER 63-31275 NOW OWNED OR  
HEREAFTER ACQUIRED WHICH ARE APPURTENANT ATTACHED TO

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WHEN RECORDED RETURN TO:  
ZIONS FIRST NATIONAL BANK  
2460 SOUTH 3270 WEST  
WEST VALLEY CITY, UTAH 84119  
ATTN: Loan Servicing Group

**DEED OF RECONVEYANCE**

ZIONS FIRST NATIONAL BANK, as Trustee under a Trust Deed dated February 4, 2000 executed by Robert A. Svedin & Ellen K. Svedin, husband and wife, as Trustor, and recorded February 8, 2000, as Entry No. 100009705 of the records of the County Recorder of Canyon County, State of Idaho pursuant to a written request of the Beneficiary thereunder, does hereby reconvey, without warranty, to the person or persons entitled thereto, the trust property now held by it as Trustee under said Trust Deed, which Trust Deed covers real Property situated in Canyon County, State of Idaho, described as follows:

See the attached Exhibit "A"

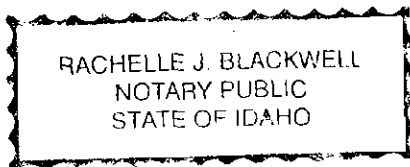
Dated this 29<sup>th</sup> day of October, 2004.

ZIONS FIRST NATIONAL BANK

BY: Dan Noble  
Dan Noble, Vice President

STATE OF IDAHO )  
Washington ss.  
COUNTY OF CANYON )

On this 3<sup>rd</sup> day of November, 2004, personally appeared before me Dan Noble, who being by me duly sworn, did say that he is the Assistant Vice President of ZIONS FIRST NATIONAL BANK, a National Association, Salt Lake City, Utah, and that said instrument was signed in behalf of said National Association by authority of a resolution of its Board of Directors; and said Dan Noble acknowledged to me that the said ZIONS FIRST NATIONAL BANK, a National Association, Salt Lake City, Utah, executed the same.



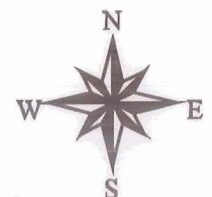
Rachelle Blackwell  
Notary Public  
My commission expires May 29 2008  
Residing at Western Idaho

# Whortley's Land

**T01N R01W  
S17**



1000 0 1000 2000 Feet



CLF 12/22/04

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

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WATER RESOURCES

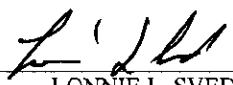
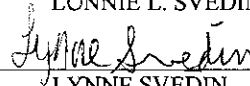
# Notice of Security Interest in a Water Right

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

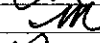
Please print or type. Attach pages with additional information. Instructions are on the back of this page.  
Incomplete forms will be returned

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DEPARTMENT OF  
WATER RESOURCES

1. Water Right No(s): 63-31275  
Adjudication Claim No(s): 63-31275 now 63-32036
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 right or claim 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  
  
 2460 SOUTH 3270 WEST  
  
 WEST VALLEY, UT 84119
4. Name of Water Right Owner/Claimant(s)  
  
 LONNIE L. & LYNNE SVEDIN
5. Expiration Date of Notification Period 10-1-2029
6. Is this a Renewal of Request for Notification? ☐ YES ☒ NO
7. Signature(s) (and title if applicable)
 

X   
 LONNIE L. SVEDIN  
 X   
 LYNNE SVEDIN

### For Office Use Only

|                                                                                                         |                        |                            |
|---------------------------------------------------------------------------------------------------------|------------------------|----------------------------|
| Received by <u></u>  | Date <u>11-12-04</u>   | Fee <u>\$25.00</u>         |
| Receipted by <u></u> | Date <u>11-12-04</u>   | Receipt No. <u>0045756</u> |
| Processed by <u></u> | AJ Date <u>12-7-04</u> | WR _____ Date _____        |

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**RECORDATION REQUESTED BY:**

ZIONS FIRST NATIONAL BANK  
WEISER BRANCH  
606 STATE STREET  
WEISER, ID 83672

**WHEN RECORDED MAIL TO:**

Zions First National Bank  
Loan Servicing Group - UT ROWG 0187  
2460 South 3270 West  
West Valley City, UT 84119

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



\*000000000000009001074510292004\*

**MORTGAGE**

**THIS MORTGAGE** dated October 29, 2004, is made and executed between LONNIE L. SVEDIN and LYNNE SVEDIN, HUSBAND AND WIFE (referred to below as "Grantor") and ZIONS FIRST NATIONAL BANK, whose address is 606 STATE STREET, WEISER, ID 83672 (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 ADA County, State of Idaho:

**SEE EXHIBIT "A" FOR LEGAL DESCRIPTION OF PROPERTY, TOGETHER WITH ANY AND ALL WATER RIGHTS, INCLUDING BUT NOT LIMITED TO WATER RIGHTS NUMBERS: 63-31275, NOW OWNED OR HEREAFTER ACQUIRED WHICH ARE APPURTENANT THERETO**

**The Real Property** or its address is commonly known as 226 ACRES LOCATED AT & AROUND 1/2 MILE EAST AND 1/2 MILE NORTH OFF OF KUNA CAVE ROAD, MELBA, ID 83641.

**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, determined or undetermined, absolute or contingent, liquidated or unliquidated 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 tenantable 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

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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 or 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.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are a 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, materialman'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

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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.

**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 make 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

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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, 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 take whatever 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 not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the 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 to the extent permitted by applicable law.

**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, refiled, 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 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

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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 any default, other than a default in payment 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 if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default 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. Grantor hereby waives any requirement that the receiver be impartial and disinterested as to all of the parties and agrees that 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. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

**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.** Unless otherwise provided by applicable law, any notice required to be given under this Mortgage or required by law, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered in accordance with the law or with this Mortgage, when actually received by telefacsimile (unless otherwise required by law), when deposited with

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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. Notwithstanding any other provision of this Mortgage, all notices given under Utah Code Ann. Section 57-1-26 shall be given as required therein. 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 by applicable 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.

**HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION.** A. This commitment is conditional upon loan proceeds not being used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

B. All guaranteed lenders will be required to monitor compliance of these requirements as part of their servicing responsibilities. During loan servicing contacts the Borrower's compliance is to be reviewed and analyzed. If the Borrower violates 7 C.F.R. Part 1940, Subpart G, Exhibit M requirements, the loan will be in default.

C. If loan applicants' farm properties contain any highly erodible land, wetland, or converted wetland; the lender will include the following provisions in its debt and security loan instruments:

Default shall also exist if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible the production of an agricultural commodity, further explained in 7 CFR Part 1940, Subpart G, Exhibit "M".

**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 Salt Lake City, Utah 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,

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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 thereof 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, except and only to the extent of procedural matters related to the perfection and enforcement of Lender's rights and remedies against the Property, which matters shall be governed by the laws of the State of Utah. However, in the event that the enforceability or validity of any provision of this Mortgage is challenged or questioned, such provision shall be governed by whichever applicable state or federal law would uphold or would enforce such challenged or questioned provision. The loan transaction which is evidenced by the Note and this Mortgage has been applied for, considered, approved and made, and all necessary loan documents have 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 Utah 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 LONNIE L. SVEDIN and LYNNE SVEDIN and includes all co-signers and co-makers signing the Note.

**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

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DEC 11 2004

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 LONNIE L. SVEDIN and LYNNE SVEDIN.

**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 and includes without limitation all Loans, together with all other obligations, debts and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

**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 October 29, 2004, in the original principal amount of \$240,000.00 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. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

**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   
LONNIE L. SVEDIN

x   
LYNNE SVEDIN

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF IDAHO

)

) SS

COUNTY OF CANYON

)

On this day before me, the undersigned Notary Public, personally appeared LONNIE L. SVEDIN and LYNNE SVEDIN, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 3rd day of November, 2004.By Dan NobleResiding at Weiser, IdahoNotary Public in and for the State of Idaho

NOTARY

My Commission expires 3-6-06

PUBLIC



State of Idaho

**DEPARTMENT OF WATER RESOURCES**

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: [www.idwr.idaho.gov](http://www.idwr.idaho.gov).

DIRK KEMPTHORNE  
Governor

KARL J. DREHER  
Director

November 22, 2004

ZIONS FIRST NATIONAL BANK  
2460 S 3270 W  
WEST VALLEY UT 84119

RE: Snake River Basin Adjudication (SRBA)  
Notice of Security Interest in a Water Right - #63-31275  
Lonnie L. and Lynne Svedin

RECEIVED  
DEC - 3 2004  
DEPARTMENT OF  
WATER RESOURCES

We are returning the Notice of Security Interest in a Water Right. Before we can proceed, item 2A must be completed. I have also enclosed your receipt #C075756 for the fee you paid. Please retain the receipt for your records.

Please call me toll-free at 1/800-451-4129 if you have any questions.

Sincerely,

Sally Sherman  
Technical Records Specialist  
Adjudication Bureau

SS:region

Enclosure:

Incomplete Notice of Security Interest in a Water Right

COMBINED  
DEC 8 6 2004

**T01N, R01W**

*Per meeting  
with John Westra  
on office day*

**Sec. 8**

*Suehdon* →

**Sec. 17**

RECEIVED

**STATE OF IDAHO**  
**DEPARTMENT OF WATER RESOURCES**  
**NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP**

SEP 26 2003

RECEIVED

Department of Water Resources

SEP 24 2003

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.  
 Incomplete forms will be returned.

WATER RESOURCES  
 WESTERN REGION

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

| Water<br>Right No(s). | Adjudication<br>Claim No(s). | Split | Water<br>Right No(s). | Adjudication<br>Claim No(s). | Split |
|-----------------------|------------------------------|-------|-----------------------|------------------------------|-------|
| 63-31275              | 63-31275                     | X     |                       |                              |       |
|                       |                              |       |                       |                              |       |
|                       |                              |       |                       |                              |       |
|                       |                              |       |                       |                              |       |
|                       |                              |       |                       |                              |       |

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

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):  
**PLAT OF PROPERTY** or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

**OR**

If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s)

Robert & Ellen Suedin

7605 S. Robinson Rd Kuna ID 83634

4. New Owner/Claimant(s)

Lance Wortley & Karen Thomas

Name Connector (Check one): ☐ and, ☐ or, ☐ and/or

New Mailing Address

6220 Kuna Cave Rd

City, State and ZIP Code

Kuna ID 83634

New Telephone Number

(208) 495-1415

5. Date you acquired the property

9/9/03

*W.A. has copy.  
 as 12-27-04*

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JAN 24 2005

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

| DESCRIPTION OF YOUR PORTION OF WATER RIGHT<br>(If the right(s) will not be split, skip this area and proceed to item 7) |                                                                            |                                                              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Water Right and/or Adjudication Claim Number _____                                                                      |                                                                            |                                                              |
| Water Use                                                                                                               | Diversion Rate or Volume<br>(cubic feet per second or acre-feet per annum) | Description<br>(acres, number and type of stock, homes, etc) |
| Irrigation                                                                                                              | <u>.089 cfs</u>                                                            | <u>6.5 acres</u>                                             |
| Stock                                                                                                                   | _____                                                                      | _____                                                        |
| Domestic                                                                                                                | _____                                                                      | _____                                                        |
| Other                                                                                                                   | _____                                                                      | _____                                                        |
| Total                                                                                                                   | <u>.089 cfs</u>                                                            |                                                              |

| DESCRIPTION OF YOUR PORTION OF WATER RIGHT<br>(If the right(s) will not be split, skip this area and proceed to item 7) |                                                                            |                                                              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Water Right and/or Adjudication Claim Number _____                                                                      |                                                                            |                                                              |
| Water Use                                                                                                               | Diversion Rate or Volume<br>(cubic feet per second or acre-feet per annum) | Description<br>(acres, number and type of stock, homes, etc) |
| Irrigation                                                                                                              | _____                                                                      | _____                                                        |
| Stock                                                                                                                   | _____                                                                      | _____                                                        |
| Domestic                                                                                                                | _____                                                                      | _____                                                        |
| Other                                                                                                                   | _____                                                                      | _____                                                        |
| Total                                                                                                                   | _____                                                                      |                                                              |

7. Signature of New Owner(s) or Claimant(s)  
(include title if applicable)

*[Signature]*  
*[Signature]*

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only  
 Received by DH Date 9-24-03 Fee \_\_\_\_\_  
 Received by \_\_\_\_\_ Date \_\_\_\_\_ Receipt No. \_\_\_\_\_  
 Processed by 2014m Date 1-14-05 WR \_\_\_\_\_ Date \_\_\_\_\_

SCANNED

JAN 24 2005

RECEIVED

SEP 26 2003 RECEIVED

WARRANTY DEED Department of Water Resources

SEP 24 2003

WATER RESOURCES  
WESTERN REGION

When recorded, return to:

John C. McCreedy  
Naylor, Hales & McCreedy, P.C.  
P.O. Box 9496  
Boise, ID 83707

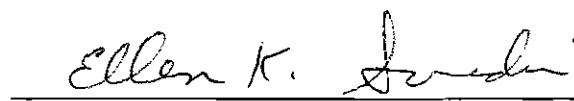
✓ A **ROBERT A. SVEDIN and ELLEN K. SVEDIN**, husband and wife, whose address is 7605 S. Robinson Road, Kuna, ID 83634 (hereinafter, "Grantors"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby **GRANT, SELL and CONVEY** unto **LANCE WORTLEY and KAREN THOMAS**, husband and wife, whose address is 6220 Kuna Cave Road, Kuna, Idaho 83634 (hereinafter, "Grantees") that certain real property situated in Ada County, Idaho, and described on Exhibit "A" attached hereto and by this reference made a part hereof, together with all rights, privileges, easements, hereditaments, and appurtenances pertaining to such real property (collectively, the "Property").

**SUBJECT, HOWEVER**, to taxes and assessments not yet due and payable; and reservations, covenants, restrictions, easements, rights and rights-of-way of record.

**TO HAVE AND TO HOLD** the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantees, their successors and assigns forever; and Grantors do hereby bind themselves, their successors and assigns, to warrant and forever defend, all and singular, the Property unto Grantees, their successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through and under Grantors.

**EXECUTED** this 9 day of September, 2003.

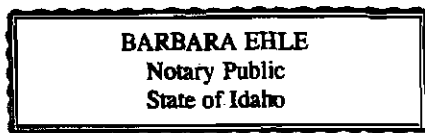
  
Robert A. Svedin

  
Ellen K. Svedin

STATE OF IDAHO       )  
                                  ) ss.  
County of Ada        )

On this 9 day of September, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared ROBERT A. SVEDIN, known or identified to me to be the person in said document, and acknowledged to me that he executed this instrument in said capacity.

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

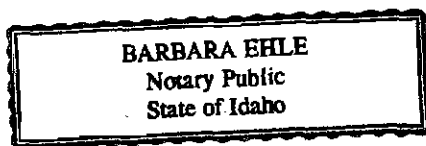


Barbara Ehle  
Notary Public for Idaho  
Residing at Meridian, Idaho  
Commission Expires: 6-12-2009

STATE OF IDAHO       )  
                                  ) ss.  
County of Ada        )

On this 9 day of September, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared ELLEN K. SVEDIN, known or identified to me to be the person in said document, and acknowledged to me that she executed this instrument in said capacity.

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



Barbara Ehle  
Notary Public for Idaho  
Residing at Meridian, Idaho  
Commission Expires: 6-12-2009



IDAHO  
SURVEY  
GROUP

701 S. Allen St., Suite 105  
Meridian, Idaho 83642

Phone (208) 846-8570  
Fax (208) 378-0329

ISG Project No. 03-159

July 15, 2003

**6.483 ACRE PARCEL  
SECTION 17, T.1N, R.1W., B.M.**

A parcel of land located in the SW1/4 of the NW1/4 of Section 17, T.1N., R.1W., B.M., Ada County, Idaho, more particularly described as follows: Commencing at the 1/4 corner common to Section 18 and the said Section 17, from which the northwest corner of said Section 17 bears North 00°04'00" West, 2668.63 feet; thence along the East-West mid-section line North 89°50'48" East, 805.08 feet to the **REAL POINT OF BEGINNING**.

Thence North 00°04'00" West, 549.84 feet;

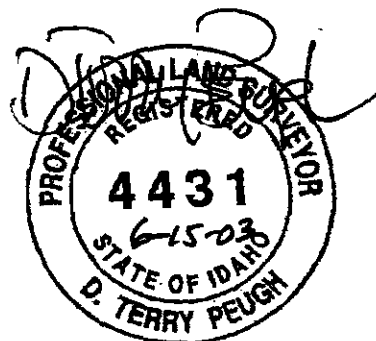
thence North 89°50'48" East, 513.70 feet to a point on the East line of the SW1/4 of the NW1/4;

thence along said line South 00°02'54" East, 549.84 feet to the C-W 1/16 corner;

thence South 89°50'48" West, 513.53 feet to the Point of Beginning. Containing 6.483 acres, more or less.

**SUBJECT TO** right-of-way for Kuna Cave Road.

Prepared by:  
IDAHO SURVEY GROUP, PC



D. Terry Peugh, P.L.S.

SCANNED

JAN 7 4 2005

DEC 24 2003

63-31275

Department of Water Resources

**FAX**



**WalkAbout MFG.**

Date Aug 21, 2003

Number of pages including cover sheet 8

TO: *Jan*

RE: *Water Rights*

Phone: *208-334-2190*

Fax Phone: *208-334-2348*

FROM: Lance Wortley  
WalkAbout MFG.  
6220 Kuna Cave Road  
Kuna, Idaho 83634

Phone (208) 495-1415

Fax Phone (208) 495-1414

CC:

REMARKS: ☐ Urgent ☒ For your review ☐ Reply ASAP ☐ Please Comment

SCANNED

JAN 7 4 2005

## NAYLOR, HALES & MCCREEDY, P.C.

*A Professional Corporation of Attorneys*

John C. McCreedy

Direct Line: 947-2074

E-mail: jcm@naylorhales.com

1199 N. Shoreline Lane, Suite 200

P.O. Box 9496

Boise, Idaho 83707

Phone (208) 383-9511 Fax (208) 383-9516

Kirtlan G. Naylor

Roger J. Hales

John C. McCreedy

Carlton R. Ericson

Mark A. Kubinski

Colleen D. Zahn

Robert G. Hamlin,

*Of Counsel*

July 28, 2003

Lance Wortley  
Karen Thomas  
6220 Kuna Cave Road  
Kuna, Idaho 83634

*Re: Svedin Transaction*

Dear Lance and Karen:

This letter relates to the water rights associated with the 6.5 acre parcel you are purchasing from Svedins. I spoke with Dan Nelson at IDWR's regional office (334-2190). He explained that when the purchase is complete and the warranty deed with legal description recorded, you need to file a change of ownership form for the water right. A copy of that form is attached. Once the change of ownership form is accepted, the name will change for your portion of the water right, the Svedin's water right will be split, and your water right will get a new water right number.

Dan examined the water right and the allocations, and made the following tentative conclusions. The Svedins currently own water right No. 6331275. The diversion rate is 2.9 cfs for 211 acres. Your new water right would be computed as follows:

$2.9 \text{ cfs}/211 \text{ Svedin acres} \times 10 \text{ Wortley acres} = .14 \text{ cfs}$  or approximately  $\frac{1}{2}$  inch per acre.

The Svedins also have 950 acre feet of water for their 211 acres. You would be entitled to:

$950 \text{ acre feet}/211 \text{ Svedin acres} \times 10 \text{ Wortley acres} = 45 \text{ acre feet of water.}$

The Svedins water right has been filed as part of the Snake River Basin adjudication. However, there has been no partial or final decree. You will need to include your water right in the

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JAN 24 2005

Form 42-248(42-1409(6)) July, 2000

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

INSTRUCTIONS FOR FILING  
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

This form has been prepared to assist all claimants and owners of water rights to comply with the requirements of Sections 42-248 and 42-1409(6), Idaho Code. All claimants and owners of water rights are required to notify the Department of Water Resources (IDWR) of any change in mailing address or change in ownership of all or part of a water right. In addition, all purchasers of water rights within a pending general adjudication area must inquire whether a notice of claim has been filed and, if not, shall file a notice of claim if necessary.

Effective July 1, 2000, the Idaho Legislature amended Section 42-248, Idaho Code to include a provision for fees to file a Notice of Change in Water Right Ownership. Please see details at Item 8, below, to determine if fees are required for your filing.

Separate brochures are available from IDWR describing the adjudication of water rights and the requirement to notify IDWR of changes in ownership. Please contact your nearest IDWR office, or call 1-800-451-4129, if you would like more information or need help completing this form. Please attach additional sheets to the form if you require additional space to describe or explain any of the items on the form.

1. If there are water rights associated with the property, the seller should be able to provide you with the water right or adjudication claim number(s). Please enter the number(s) at Item 1. Corresponding water right and adjudication claim numbers should be listed next to each other on the form. You may have purchased only a portion of the water right(s) held by the seller. If so, the water right(s) held by the seller may need to be "split" to provide you your share of each right. Indicate if a split is required by checking in the space provided next to each water right.

If you receive water from a municipal provider, an irrigation district or other water delivery organization, where the water rights are held by the organization, please do not use this form to record a change. You may need to contact the water delivery organization to determine if any action is necessary.

If you or the seller believes there are water rights for the property but the numbers are unknown, you may wish to contact IDWR for assistance in identifying the water rights for the property in question. If adjudication claims for the rights are required and have not been filed, IDWR will so advise you.

2. The information described at Item 2 is required, since IDWR cannot process the requested change without documentation of ownership. The preferred types of documentation are shown; contact IDWR if you have difficulty obtaining this information. Do not obtain a new survey for purposes of this form before contacting IDWR.
3. Please provide the name and address of the former owner/claimant(s) of the water right(s) at Item 3.
4. The name, mailing address, and telephone numbers of the new owner/claimant(s) is entered at Item 4. Please indicate the relationship between multiple owners by using the connector "and", "or", or "and/or." If an "and" is used, all parties must sign this form. If an "and/or" or "or" is used, all parties may sign; however, only one of the named parties is required to sign.
5. At Item 5, please provide the date the property in question was acquired. This may be the date of "closing" in the case of a real estate transaction or the date of court order for other types of ownership changes.

SCANNED

JAN 24 2005

RECORD OF SURVEY FOR  
**WORTLEY, THOMAS, AND SVEDIN**  
 LOCATED IN THE SW 1/4 OF THE NW 1/4 OF  
 SECTION 17, T.1N., R.1W., B.M.,  
 ADA COUNTY, IDAHO  
 2003

RECORD OF SURVEY NO. \_\_\_\_\_



SCANNED  
 JAN 24 2005



SCALE: 1" = 100'

**LEGEND**

- SEE 1/4" X 1/4" IRON PIN, L.S. 4431
- FOUND 5/8" IRON PIN, UNREMARKED
- FOUND 1/2" IRON PIN, L.S. 7782
- SECTION LINE
- BOUNDARY LINE
- RANGEL LINE

**COUNTY RECORDER'S CERTIFICATE**

NOTE: I, \_\_\_\_\_  
 STATE OF IDAHO, COUNTY OF ADA, BE  
 FIELD FOR RECORD AT THE REQUEST OF  
 AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M., OF 1955 DIV. OF \_\_\_\_\_, 2001

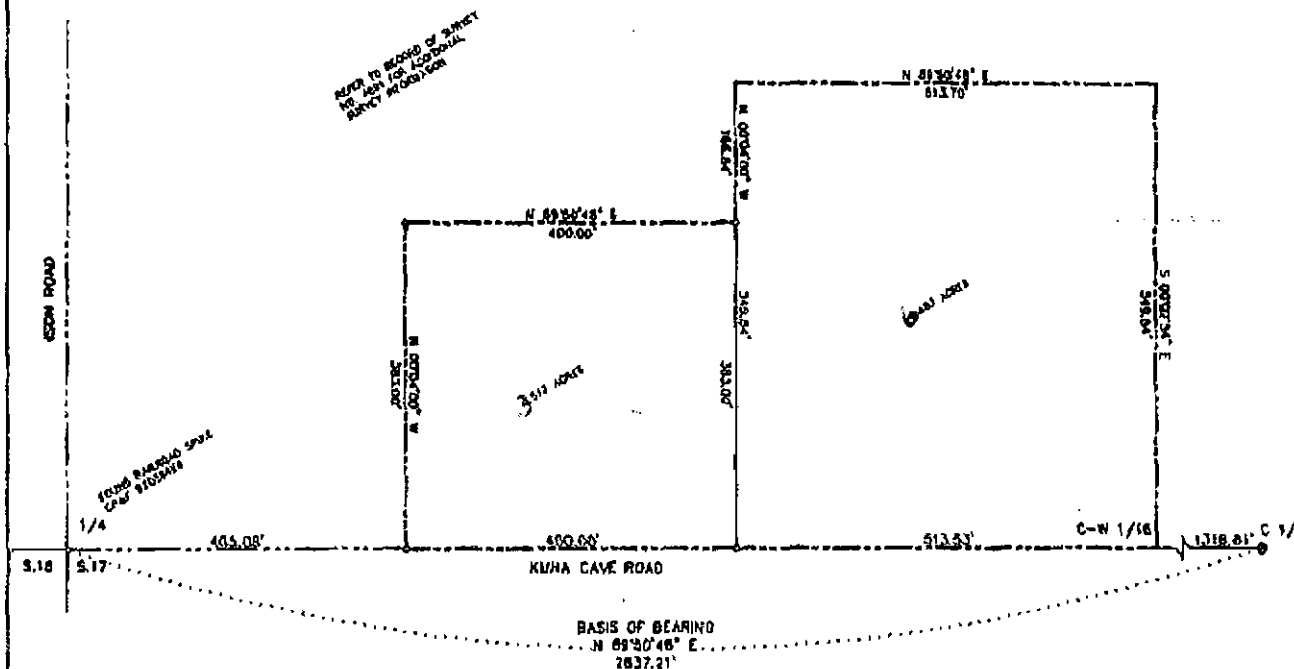
DEPUTY \_\_\_\_\_

BY \_\_\_\_\_

SURVEY INDEX NUMBER: 114-17-4-3

**IDAHO SURVEY GROUP, P.C.**

701 S. ALLEN ST.  
 SUITE 105  
 MERIDIAN, IDAHO 83642  
 (208) 664-6770





IDAHO  
SURVEY  
GROUP

701 S. Allen St., Suite 105  
Meridian, Idaho 83642

Phone (208) 846-8570  
Fax (208) 378-0329

ISG Project No. 03-159

July 15, 2003

**6.483 ACRE PARCEL  
SECTION 17, T.1N, R.1W., B.M.**

A parcel of land located in the SW1/4 of the NW1/4 of Section 17, T.1N., R.1W., B.M., Ada County, Idaho, more particularly described as follows: Commencing at the 1/4 corner common to Section 18 and the said Section 17, from which the northwest corner of said Section 17 bears North 00°04'00" West, 2668.63 feet; thence along the East-West mid-section line North 89°50'48" East, 805.08 feet to the **REAL POINT OF BEGINNING**.

Thence North 00°04'00" West, 549.84 feet;

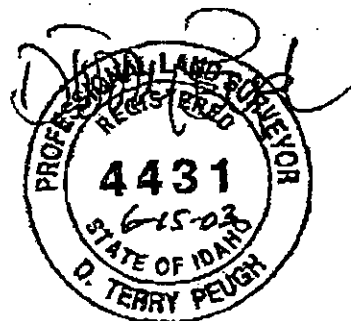
thence North 89°50'48" East, 513.70 feet to a point on the East line of the SW1/4 of the NW1/4;

thence along said line South 00°02'54" East, 549.84 feet to the C-W 1/16 corner;

thence South 89°50'48" West, 513.53 feet to the Point of Beginning. Containing 6.483 acres, more or less.

**SUBJECT TO** right-of-way for Kuna Cave Road.

Prepared by:  
IDAHO SURVEY GROUP, PC



D. Terry Peugh, P.L.S.

# Property Boundary Adjustment

ADA COUNTY DEVELOPMENT SERVICES, 200 W. Front Street, Boise, Idaho 83702

www.adaweb.net (208) 287-7900

## SUBMITTALS:

- ☒ Detailed letter by applicant. Describe why you need the property boundary adjustment.
- ☒ Site plan showing all existing or proposed structures and all property lines. This must be legible and drawn to scale.
- ☒ Parcel map. Available from the Assessor's office on the 4<sup>th</sup> floor of the County building.
- ☐ Concurrent applications, as applicable.
- ☒ Proper fee.

## SITE INFORMATION PROPERTY #1:

Location: Quarter: SW 1/4 NW 1/4 Section: 17 Township: 1N Range: 1W Total Acres: 3.517  
Subdivision Name: N/A Lot: N/A Block: N/A  
Site Address: 6220 Kuna Cave Road, Kuna, Idaho 83634 Area of City Impact: N/A  
Tax Parcel Number(s): S221733900 Zoning: RR

### OWNER PROPERTY #1:

Name: Lance Wortley and Karen Thomas  
Address: 6220 Kuna Cave Road  
City: Kuna State: ID Zip: 83634  
Telephone: 495-1445 Fax: 495-1414

I consent to this application and allow Development Services staff to enter the property for site inspections related to this application.

Lance Wortley & Karen Thomas  
Karen Thomas 7/21/03  
Signature: (Owner #1) Date

## SITE INFORMATION PROPERTY #2:

Location: Quarter: SW 1/4 NW 1/4 Section: 17 Township: 1N Range: 1W Total Acres:         
Subdivision Name: N/A Lot: N/A Block: N/A  
Site Address: 6220 Kuna Cave Road, Kuna, Idaho 83634 Area of City Impact: N/A  
Tax Parcel Number(s): S221733606 Zoning: RR

### OWNER PROPERTY #2:

Name: Robert and Ellen Svedin  
Address: 7605 S. Robinson Road  
City: Kuna State: ID Zip: 83634  
Telephone: 495-2259 Fax: N/A

I consent to this application and allow Development Services staff to enter the property for site inspections related to this application.

Robert Svedin & Ellen Kay Svedin  
Robert Svedin July 15, 2003  
Signature: (Owner #2) Date

SCANNED

JAN 7 4 2005

| OFFICE USE ONLY |              | Building Permit? | Y | N | #:       |
|-----------------|--------------|------------------|---|---|----------|
| File No.:       | Received By: | Date:            |   |   | Log:     |
| X-Ref.:         | History Map: | Stamped:         |   |   | Fee/GIS: |

7/10/03

<http://www.adaweb.net/adaweb/ns002644bcb56c491c8725673f003fc3a8/716bb2b48a5908de07256a77005cc0b4d5FILE/Parcel Boundary Adjustment.doc>

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 63-31275  
Date Received: 4/14/1989  
Receipt No:  
Received By:

**NOTICE OF CLAIM TO A WATER RIGHT  
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s): ROBERT A SVEDIN  
7605 S ROBINSON  
KUNA ID USA 83634

Phone: (208)495-2259

ELLEN K SVEDIN  
7605 S ROBINSON  
KUNA ID USA 83634

Phone: (208)495-2259

2. Date of Priority: 11/21/1962

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

| Township | Range | Section | 1/4 of 1/4 of 1/4 Lot | County | Type |
|----------|-------|---------|-----------------------|--------|------|
| 01N      | 01W   | 8       | NW SE                 | ADA    |      |

5. Description of diverting works:

WELL WITH TURBO PUMP

6. Water is used for the following purposes:

| Purpose    | From  | To    | C.F.S. | (or) A.F.A |
|------------|-------|-------|--------|------------|
| IRRIGATION | 04/01 | 10/31 | 2.9    | 950        |

7. Total Quantity Appropriated is:  
2.9 C.F.S. and/or 950 A.F.A.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

| Township      | Range | Section | 1/4 of 1/4 | Lot | Use        | Acres |
|---------------|-------|---------|------------|-----|------------|-------|
| 01N           | 01W   | 8       | NE SE      |     | IRRIGATION | 12    |
|               |       |         | NE SW      |     | IRRIGATION | 19    |
|               |       |         | SE SW      |     | IRRIGATION | 23    |
|               |       |         | NW SE      |     | IRRIGATION | 39    |
|               |       |         | SW SE      |     | IRRIGATION | 39    |
|               |       |         | SE SE      |     | IRRIGATION | 38    |
| Section Acres |       |         |            |     |            | 170   |
| 01N           | 01W   | 17      | NW NW      |     | IRRIGATION | 2     |
|               |       |         | SW NW      |     | IRRIGATION | 39    |
| Section Acres |       |         |            |     |            | 41    |
| Total Acres   |       |         |            |     |            | 211   |

11. Place of use in counties: ADA

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

13. Other Water Rights Used:

14. Remarks:

This claim is the result of a split due to change in ownership for a portion of 63-3319. DB 8/1/2001

15. Basis of Claim: License

**STATE OF IDAHO**  
**DEPARTMENT OF WATER RESOURCES**  
**NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP**

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SEP 26 2000

WATER RESOURCES  
WESTERN REGION

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.  
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided, if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

| Water<br>Right No(s) | Adjudication<br>Claim No(s) | Split | Water<br>Right No(s) | Adjudication<br>Claim No(s) | Split |
|----------------------|-----------------------------|-------|----------------------|-----------------------------|-------|
| 63-03319             |                             |       |                      |                             |       |
|                      |                             |       |                      |                             |       |
|                      |                             |       |                      |                             |       |
|                      |                             |       |                      |                             |       |
|                      |                             |       |                      |                             |       |

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

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):  
**PLAT OF PROPERTY** or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) are for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) Irvin Boehlke
4. New Owner/Claimant(s) Robert A. + Ellen K. Svedin  
 Name Connector (Check one): ☐ and, ☐ or, ☐ and/or
- New Mailing Address 7605 S. Robinson
- City, State and ZIP Code Kuna, Idaho 83634
- New Telephone Number (208) 495-2259

5. Date you acquired the property 2-4-2000

*JFW* - Acknowledge Pledge on Zion Letter attached (high-Lited), send copy.  
 - Send copy of ownership change to: Zions 1st Nat. Bank  
 606 State St  
 Weiger ID 83672  
 ATTN: Don Noble.

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SEP 25 2000

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

| DESCRIPTION OF YOUR PORTION OF WATER RIGHT<br>(If the right(s) will not be split, skip this area and proceed to item 7) |                                                                            |                                                              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Water Right and/or Adjudication Claim Number _____                                                                      |                                                                            |                                                              |
| Water Use                                                                                                               | Diversion Rate or Volume<br>(cubic feet per second or acre-feet per annum) | Description<br>(acres, number and type of stock, homes, etc) |
| Irrigation                                                                                                              | _____                                                                      | _____                                                        |
| Stock                                                                                                                   | _____                                                                      | _____                                                        |
| Domestic                                                                                                                | _____                                                                      | _____                                                        |
| Other _____                                                                                                             | _____                                                                      | _____                                                        |
| Total                                                                                                                   | _____                                                                      | _____                                                        |

| DESCRIPTION OF YOUR PORTION OF WATER RIGHT<br>(If the right(s) will not be split, skip this area and proceed to item 7) |                                                                            |                                                              |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Water Right and/or Adjudication Claim Number _____                                                                      |                                                                            |                                                              |
| Water Use                                                                                                               | Diversion Rate or Volume<br>(cubic feet per second or acre-feet per annum) | Description<br>(acres, number and type of stock, homes, etc) |
| Irrigation                                                                                                              | _____                                                                      | _____                                                        |
| Stock                                                                                                                   | _____                                                                      | _____                                                        |
| Domestic                                                                                                                | _____                                                                      | _____                                                        |
| Other _____                                                                                                             | _____                                                                      | _____                                                        |
| Total                                                                                                                   | _____                                                                      | _____                                                        |

7. Signature of New Owner(s) or Claimant(s)  
(include title if applicable)

*Robert A. Smith*  
*Ellen K. Smith*

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

## For Office Use Only

|                       |            |                     |
|-----------------------|------------|---------------------|
| Received by _____     | Date _____ | Fee _____           |
| Received by _____     | Date _____ | Receipt No. _____   |
| Processed by _____ AJ | Date _____ | WR _____ Date _____ |

# Split Tree A63-03319.

A63-03319 N/O Boehlke

DR: 3.23 cfs AV: 1058 AF

POD: 1N, 1W, S8, NWSE

POB: 1N, 1W, S8, NWNE - 5 SWNE - 19

NESW - 19 - SESW - 23 -

NESE - 12 NWSE - 39

SWSE - 39 SESE - 38 = 194

S17, NWNW - 2 SWNW - 39 = 41

235

A63-31275 N/O Svehdin

DR: 2.90 cfs AV: 950.5 A.F.

POD: 1N, 1W, S8, NWSE

POU: 1N, 1W, S8, NESW - 19 SESW - 23

NESE - 12 NWSE - 39.

SWSE - 39 SESE - 38 - 170

S17, NWNW - 2 SWNW - 39 = 41

211

A63-31274 N/O Boehlke

DR: .33 cfs AV: 108 A.F.

POB: 1N, 1W, S8, NWSE

\* POU: 1N, 1W, S8, NWNE - 5 SWNE - 19

\* Per Canyon County records this land might not be owned by Boehlke.

State Cty. I. p. Tran Reissue Amt. Tran Simultaneous Issue#  
 06 11 001 1 033 \$ SV 3185119

| Code  | Amt.    | Code  | Amt.    | Code  | Amt. | Code  | Amt. | Code  | Amt. |
|-------|---------|-------|---------|-------|------|-------|------|-------|------|
| 05100 | \$10.00 | 05100 | \$50.00 | 05100 | \$   | 05100 | \$   | 05100 | \$   |

# LOAN

## SCHEDULE A

| FILE NO. | POLICY NO. | DATE OF POLICY                   | AMT OF INSURANCE | PREMIUM AMT | TOTAL AMT |
|----------|------------|----------------------------------|------------------|-------------|-----------|
| P186436  | MM 3224160 | February 8, 2000<br>at 4:04 P.M. | \$200,000.00     | \$296.50    | \$356.50  |

1. Name of Insured:

ZIONS FIRST NATIONAL BANK

2. The estate or interest in the land which is encumbered by the insured Mortgage is:

FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

ROBERT A. SVEDIN AND ELLEN K. SVEDIN, HUSBAND AND WIFE

4. The insured mortgage and assignments thereof, if any, are described as follows:

A MORTGAGE TO SECURE AN INDEBTEDNESS OF \$ 200,000.00, AND ANY OTHER AMOUNTS AS THEREIN PROVIDED, PAYABLE UNDER THE TERMS, CONDITIONS, PROVISIONS AND STIPULATIONS THEREOF.

DATED: FEBRUARY 4, 2000

MORTGAGOR: ROBERT A. SVEDIN AND ELLEN K. SVEDIN, HUSBAND AND WIFE

MORTGAGEE: ZIONS FIRST NATIONAL BANK

RECORDED: FEBRUARY 8, 2000

INSTRUMENT NO.: 100009705

5. The land referred to in the Policy is described as follows:

SEE SCHEDULE C

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WESTERN REGIO

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WESTERN REGION

LOAN  
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the following:

PART I

Special Exceptions:

1. GENERAL TAXES FOR THE YEAR 2000, WHICH ARE LIENS, ARE NOT YET DUE AND PAYABLE.
2. LIENS AND ASSESSMENTS OF THE FOLLOWING DISTRICT AND THE RIGHTS AND POWERS THEREOF AS PROVIDED BY LAW. NO DELINQUENCIES APPEAR IN THE COUNTY RECORDER'S OFFICE.  
DISTRICT: BOISE KUNA IRRIGATION DISTRICT (922-5608)
3. RIGHTS AND CLAIMS IN AND TO ANY DITCH CANAL AND OR LATERAL RIGHT-OF-WAYS.
4. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN  
FOR: POWER LINE EASEMENT  
IN FAVOR OF: IDAHO POWER COMPANY  
RECORDED: AUGUST 8, 1963  
INSTRUMENT NO.: 562923  
AFFECTS: NW 1/4 NW 1/4, SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN.
5. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN  
FOR: POWER LINE EASEMENT  
IN FAVOR OF: IDAHO POWER COMPANY  
RECORDED: SEPTEMBER 17, 1967  
INSTRUMENT NO.: 565960
6. RESERVATIONS CONTAINED IN DEED  
DATED: FEBRUARY 15, 1982  
EXECUTED BY: IRVIN W. BOEHLKE AND DORIS JEAN BOEHLKE  
IN FAVOR OF: STEPHEN R. AND LAUREN S. BOEHLKE  
RECORDED: FEBRUARY 17, 1982  
INSTRUMENT NO: 8206218

CONTINUED

COPY

Order No. P186436 MM 3224160

7. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN  
FOR: UNDERGROUND POWER LINE EASEMENT  
IN FAVOR OF: IDAHO POWER COMPANY  
RECORDED: JANUARY 30, 1984  
INSTRUMENT NO.: 8404542
8. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN  
FOR: MAINTAIN POND, PUMP AND PIPELINE  
IN FAVOR OF: ADJACENT PROPERTY OWNER  
RECORDED: JANUARY 28, 1987  
INSTRUMENT NO.: 8705729
9. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN  
FOR: INGRESS AND EGRESS  
IN FAVOR OF: ADJACENT PROPERTY OWNER  
RECORDED: MARCH 6, 1990  
INSTRUMENT NO.: 9011558
10. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN  
FOR: WATER DELIVERY AND INGRESS AND EGRESS  
IN FAVOR OF: ADJACENT PROPERTY OWNER  
RECORDED: MARCH 6, 1990  
INSTRUMENT NO.: 9011559

END OF EXCEPTIONS

END OF SCHEDULE B - PART I

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Number: P186436 MM 3224160

SCHEDULE C

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WESTERN REGION

SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE EAST 1/2 SOUTHEAST 1/4 OF SECTION 8 AND PART OF THE WEST 1/2 SOUTHEAST 1/4 AND EAST 1/2 SOUTHWEST 1/4, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SECTION LINE 1317.8 FEET WEST OF THE CORNER COMMON TO SECTIONS 8, 9, 16 AND 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN RUNNING THENCE

NORTH 0 DEGREE 04' EAST 2642 FEET TO THE EAST AND WEST 1/4 SECTION LINE THROUGH THE CENTER OF SECTION 8; THENCE

WEST ON THE SECTION LINE THROUGH THE CENTER OF THE SECTION 1567.3 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE WALDVOGEL LATERAL CANAL; THENCE

SOUTH 44 DEGREES 18' WEST 550 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL; THENCE

SOUTH 21 DEGREES 55' WEST 220 FEET; THENCE

SOUTH 4 DEGREES 41' WEST 1995.2 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL TO THE SECTION LINE; THENCE

EAST ON THE SECTION LINE BETWEEN SECTIONS 8 AND 17 A DISTANCE OF 2199.8 FEET TO THE POINT OF BEGINNING.

EXCEPT THE NORTH 933.38 FEET OF THE EAST 933.38 FEET OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN.

ALSO

SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE SOUTHWEST 1/4 NORTHWEST 1/4 AND ALL THAT PART OF THE NORTHWEST 1/4 NORTHWEST 1/4 LYING SOUTH OF THE WALDVOGEL CANAL.

EXCEPT

A PART OF THE SOUTHWEST 1/4 NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST 1/4 NORTHWEST 1/4, (WEST 1/4 CORNER), SAID CORNER MONUMENTED WITH A RAIL ROAD SPIKE; THENCE NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 299.08 FEET, (FORMERLY 300.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING, SAID POINT MONUMENTED WITH A 1/2 INCH DIAMETER IRON PIN; THENCE CONTINUING

NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 106.00 FEET ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

NORTH 0 WEST, A DISTANCE OF 190.00 FEET PARALLEL WITH THE SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER

" WEST, A DISTANCE OF 106.00 FEET PARALLEL WITH THE SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER

SOUTH 0 DEGREE 04'00" EAST, A DISTANCE OF 190.00 FEET PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING.

**AND EXCEPT**

A PART OF THE SOUTHWEST 1/4 NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST 1/4 NORTHWEST 1/4, (WEST 1/4 CORNER), SAID CORNER MONUMENTED WITH A RAIL ROAD SPIKE; THENCE NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 405.08 FEET, (FORMERLY 441.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING, SAID POINT MONUMENTED WITH A 1/2 INCH DIAMETER IRON PIN; THENCE CONTINUING

NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 400.00 FEET, (FORMERLY 350.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

NORTH 0 DEGREE 04'00" WEST, A DISTANCE OF 383.00 FEET, (FORMERLY 387.00 FEET), PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

SOUTH 89 DEGREES 50'48" WEST, A DISTANCE OF 400.00 FEET, (FORMERLY 350.00 FEET), PARALLEL WITH THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

SOUTH 0 DEGREE 04'00" EAST, A DISTANCE OF 383.00 FEET, (FORMERLY 387.00 FEET), PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING.

END OF LEGAL DESCRIPTION

*written  
west*

\* This report is made from data supplied by Ada County. Ada County will not be held responsible for misstatements or omissions. Maps bearing this disclaimer may be photocopied freely. However, use in any official form requires the written permission of Ada County.



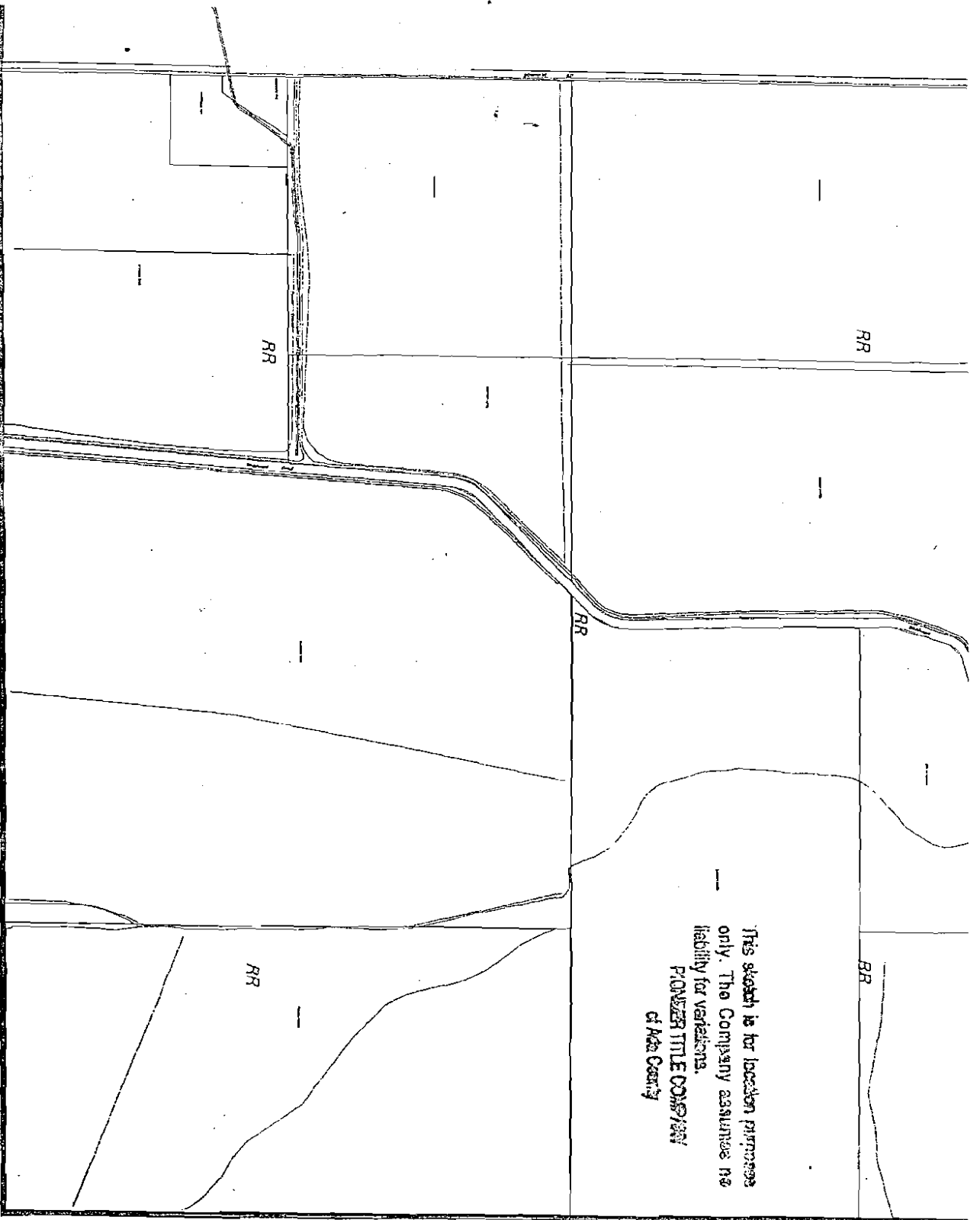
Figure 1: Schematic diagram of the experimental setup. A horizontal beam is supported by a central pivot. A weight of 200g is suspended from the left end, and a weight of 400g is suspended from the right end. The distance from the pivot to the 200g weight is 10 cm, and the distance to the 400g weight is 20 cm. The beam is labeled "Beam" and the weights are labeled "200g" and "400g".

1710-14, a group of 15-16 men in the 18th century, and a group of 17th-century men in the 18th century. The group of 17th-century men in the 18th century is the group of 17th-century men in the 18th century.

## SECTION 17, T1N P1W

This agreement is for liability purposes  
only. The Company assumes no  
liability for verifications.  
**PROMISSOR TITLE COMPANY**  
of Adas Company

RP



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WATER RESOURCES  
WESTERN REGION

# EXHIBIT B

WRSB051P IDAHO DEPARTMENT OF WATER RESOURCES DATE: 01/16/00  
No. 63-0311 WATER RIGHT PROFILE REPORT PAGE: 2

| OWNER<br>CODE    | NAME & ADDRESS | PRIORITY<br>DATE | WATER USE  | USE PERIOD<br>FROM TO | DIVERSION<br>RATE | DIVERSION<br>VOLUME |
|------------------|----------------|------------------|------------|-----------------------|-------------------|---------------------|
| C                | IRVIN DOBHLKE  | 11/21/1962       | IRRIGATION | 04/01 10/31           | 3.230 CFS         | 1058.00 APA         |
| TOTAL DIVERSION: |                |                  |            |                       | 3.230 CFS         | 1058.00 APA         |

Water Source: GROUNDWATER

Tributary to:

Stage: LICENSE

Point(s) of Diversion:

TOWN KU1W 508

WSEB

ADA County

Place of use Legal Description for: IRRIGATION

| NE          |     |    |   | NW |    |    |    | SW |    |    |    | SE |    |    |    |    |    |    |       |     |       |
|-------------|-----|----|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-------|-----|-------|
| T           | R   | S  |   | Lt | Ac | Lt | Ac | Lt | Ac | Lt | Ac | Lt | Ac | Lt | Ac | Lt | Ac | Lt | Ac    | SUM |       |
| 01N         | 01W | 8  | : | 05 |    | 19 |    | :  |    |    |    | 19 |    | 23 |    | 12 |    | 19 |       | 38  | 194.0 |
| 01N         | 01W | 17 | : |    |    |    |    | 02 |    | 39 |    | :  |    |    |    |    |    |    |       |     | 41.0  |
| TOTAL ACRES |     |    |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    | 235.0 |     |       |

Ada County: ADA

|       |                        |                    |            |
|-------|------------------------|--------------------|------------|
| Date: | App. Received:         | Priority Date:     | 11/21/1962 |
|       | Proof Due Date:        | Proof Made Date:   |            |
|       | Exam Made Date:        | Exam Sent to S.O.: |            |
|       | Licensed Date:         |                    | 08/28/1979 |
| Misc: | Water District Number: | Field Exam Fee:    |            |

*R.A.S.*  
*E.K.S.*

**RECORDATION REQUESTED BY:**

ZIONS FIRST NATIONAL BANK  
130 PLYMOUTH AVENUE  
NEW PLYMOUTH, ID 83655

RECEIVED

FEB 10 2000

WATER RESOURCES  
WESTERN REGION

*Recorded  
2-8-2000  
#100009708*

**WHEN RECORDED MAIL TO:**

ZIONS FIRST NATIONAL BANK  
130 PLYMOUTH AVENUE  
NEW PLYMOUTH, ID 83655

**SEND TAX NOTICES TO:**

ROBERT A. SVEDIN and ELLEN K. SVEDIN  
7605 SOUTH ROBINSON  
KUNA, ID 83634

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**MORTGAGE**

THIS MORTGAGE IS DATED FEBRUARY 4, 2000, between ROBERT A. SVEDIN and ELLEN K. SVEDIN, whose address is 7605 SOUTH ROBINSON, KUNA, ID 83634 (referred to below as "Grantor"); and ZIONS FIRST NATIONAL BANK, whose address is 130 PLYMOUTH AVENUE, NEW PLYMOUTH, ID 83655 (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, located in ADA County, State of Idaho (the "Real Property"):

**SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION.**

The Real Property or its address is commonly known as ROBINSON BLVD AND KUNA CAVE ROAD, KUNA, ID 83634. The Real Property tax identification number is 91-S2208410000; 91-S2208311000 AND 273-S2217233605.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all 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.

**DEFINITIONS.** The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Grantor.** The word "Grantor" means ROBERT A. SVEDIN and ELLEN K. SVEDIN. The Grantor is the mortgagor under this Mortgage.

**Guarantor.** The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

**Improvements.** The word "Improvements" means and includes without limitation 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 and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. In addition to the Note, the word "Indebtedness" includes 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, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations, and whether such Indebtedness may be or hereafter may become otherwise unenforceable.

**Lender.** The word "Lender" means ZIONS FIRST NATIONAL BANK, its successors and assigns. The Lender is the mortgagee under this Mortgage.

**Mortgage.** The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

**Note.** The word "Note" means the promissory note or credit agreement dated February 4, 2000, in the original principal amount of \$200,000.00 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 February 15, 2020. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

**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 property, interests and rights described above in the "Grant of Mortgage" section.

**Related Documents.** The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

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 at any time become 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 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 its election, 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.

**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.

**Grantor's Report on Insurance.** Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured, the then current replacement value of such property, and the manner of determining that value; and (e) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

**EXPENDITURES BY LENDER.** If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate provided for in the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, 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 (i) the term of any applicable insurance policy or (ii) 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. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

**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.

**CONDEMNATION.** The following provisions relating to condemnation of the Property are a part of this Mortgage.

**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.

**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 as may be requested by it from time to time to permit such participation.

**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: (a) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (d) 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 (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) 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, refiled, 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 (a) the obligations of Grantor under the Note, this Mortgage, and the Related Documents, and (b) 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 agreed to the contrary by Lender 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.

**DEFAULT.** Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage:

**Default on Indebtedness.** Failure of Grantor to make any payment when due on 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.

**Compliance Default.** Failure of Grantor to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents.

**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 Note or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor 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.

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

**Death or Insolvency.** The death of Grantor or the dissolution or termination of Grantor's existence as a going business, 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.

**Foreclosure, Forfeiture, etc.** 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 of the Property. However, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.

**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 of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. 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 the 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 deems 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 any Event of Default and at any time thereafter but subject to any limitation in the Note or any limitation in this Mortgage, Lender, at its 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 nonjudicial 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 (a) pay a reasonable rental for the use of the Property, or (b) 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.

**Waiver; Election of Remedies.** A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

**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 reasonable attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender 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 from the date of expenditure until repaid at the rate provided for in the Note. 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 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 TO GRANTOR AND OTHER PARTIES.** Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses 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. 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. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

**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.

**Applicable Law.** This Mortgage has been delivered to Lender and accepted by Lender in the State of Idaho. Subject to the provisions on arbitration, this Mortgage shall be governed by and construed in accordance with the laws of the State of Idaho.

**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 TO 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. 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 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 Documents"), 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 Documents. The provisions of this arbitration clause shall supersede any prior arbitration agreement between or among the parties. 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.

(b) The arbitration proceedings shall be conducted in Salt Lake City, Utah, at a place to 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 one hundred fifty (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 Documents, 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 or controversy involving another party that is substantially related to the Dispute where that other party is bound by an arbitration clause with the Lender, such as borrowers, guarantors, sureties, and owners of collateral; (2) consolidate in a single arbitration proceeding any other claim or controversy that is substantially similar to the Dispute; and (3) administer multiple arbitration claims or controversies as class actions in accordance with the provisions of 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) Judgment 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 within 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 during 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; however, if any party initiates litigation and another party disputes any allegation in that litigation, the disputing party—upon the request of the initiating party—must file a demand for arbitration with the Administrator and pay the Administrator's filing fee. The parties may serve by mail a notice of an initial motion for an order of arbitration.

(f) Notwithstanding the applicability of any other law to this agreement, the arbitration clause, or Related Documents 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.

**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.

**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.

**Multiple Parties.** 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 of the persons signing below is responsible for all obligations in this Mortgage.

**Severability.** If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

**Successors and Assigns.** Subject to the 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.

**Waivers and Consents.** Lender shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is 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 any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. 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 any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in 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.

**EXCESSIVE EROSION.** DEFAULT SHALL ALSO EXIST IF ANY LOAN PROCEEDS ARE USED FOR A PURPOSE THAT WILL CONTRIBUTE TO EXCESSIVE EROSION OF HIGHLY ERODIBLE LAND OR TO THE CONVERSION OF WETLAND TO PRODUCE OR TO MAKE POSSIBLE THE PRODUCTION OF AN AGRICULTURAL COMMODITY, FURTHER EXPLAINED IN 7 CFR PART 1940, SUBPART G, EXHIBIT M.

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

GRANTOR:

x Robert A. Svedin  
ROBERT A. SVEDIN

x Ellen K. Svedin  
ELLEN K. SVEDIN

### INDIVIDUAL ACKNOWLEDGMENT

STATE OF Idaho )  
 ) SS  
COUNTY OF Washington )

On this 4th day of February, in the year 2000, before me Dan Noble, a notary public in and for the State of Idaho, personally appeared ROBERT A. SVEDIN and ELLEN K. SVEDIN, 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.

Dan Noble  
Notary Public for Idaho

Residing at Weiser, ID

My commission expires Feb. 16, 2000



EXHIBIT A

RECEIVED

FEB 10 2000

WATER RESOURCES  
WESTERN REGION

SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE EAST 1/2 SOUTHEAST 1/4 OF SECTION 8 AND PART OF THE WEST 1/2 SOUTHEAST 1/4 AND EAST 1/2 SOUTHWEST 1/4, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SECTION LINE 1317.8 FEET WEST OF THE CORNER COMMON TO SECTIONS 8, 9, 16 AND 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN RUNNING THENCE

NORTH 0 DEGREE 04' EAST 2642 FEET TO THE EAST AND WEST 1/4 SECTION LINE THROUGH THE CENTER OF SECTION 8; THENCE

WEST ON THE SECTION LINE THROUGH THE CENTER OF THE SECTION 1587.3 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE WALDVOGEL LATERAL CANAL; THENCE

SOUTH 44 DEGREES 18' WEST 550 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL; THENCE

SOUTH 21 DEGREES 56' WEST 220 FEET; THENCE

SOUTH 4 DEGREES 41' WEST 1085.2 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL TO THE SECTION LINE; THENCE

EAST ON THE SECTION LINE BETWEEN SECTIONS 8 AND 17 A DISTANCE OF 2188.8 FEET TO THE POINT OF BEGINNING.

EXCEPT THE NORTH 833.38 FEET OF THE EAST 833.38 FEET OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN.

ALSO

SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE SOUTHWEST 1/4 NORTHWEST 1/4 AND ALL THAT PART OF THE NORTHWEST 1/4 NORTHWEST 1/4 LYING SOUTH OF THE WALDVOGEL CANAL.

EXCEPT

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN; THENCE RUNNING

EAST ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 441 FEET TO THE REAL POINT OF BEGINNING; THENCE

NORTH AND PARALLEL TO THE WESTERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 387 FEET; THENCE

EASTERLY AND PARALLEL TO THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 350 FEET; THENCE

SOUTH AND PARALLEL TO THE WESTERLY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 387 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE THE SAID SOUTHWEST 1/4 NORTHWEST 1/4; THENCE

WEST AND ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 350 FEET TO THE REAL POINT OF BEGINNING.

## EXHIBIT A

CONTINUED

### AND EXCEPT

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO; THENCE RUNNING EAST ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 300 FEET TO THE REAL POINT OF BEGINNING; THENCE

NORTH AND PARALLEL TO THE WESTERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 190 FEET; THENCE EASTERLY AND PARALLEL TO THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 108 FEET; THENCE SOUTH AND PARALLEL TO THE WESTERLY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 190 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE

WEST AND ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 106 FEET TO THE REAL POINT OF BEGINNING.

TOGETHER WITH ALL WATER RIGHTS APPURTUANT THERETO AS DESCRIBED ON THE ATTACHED EXHIBIT "B".

*R. A. S.*  
*E. K. S.*



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: **A63-03319**  
Date Received: 4/14/1989  
Receipt No: C006345  
Received By: \_\_\_\_\_

**NOTICE OF CLAIM TO A WATER RIGHT  
ACQUIRED UNDER STATE LAW**

1. Name: STEPHEN R BOEHLKE 208-495-2291  
Address: 6220 KUNA CAVE RD  
KUNA ID 83634

Name: LAUREN S BOEHLKE 208-495-2291  
Address: 6220 KUNA CAVE RD  
KUNA ID 83634

2. Date of Priority: NOV 21, 1962

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

| Township | Range | Section | 1/4 of | 1/4 of | 1/4 | Lot | County |
|----------|-------|---------|--------|--------|-----|-----|--------|
| 01N      | 01W   | 8       | NW     | SE     |     |     | ADA    |

5. Description of diverting works:  
WELL WITH TURBO PUMP

6. Water is used for the following purposes:

| Purpose    | From  | To    | C.F.S | (or) | A.F.A.  |
|------------|-------|-------|-------|------|---------|
| IRRIGATION | 04/01 | 10/31 | 3.230 |      | 1058.00 |

7. Total Quantity Appropriated is:  
3.230 C.F.S. (and/or) 1058.00 A.F.A.

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:

10. Place of Use:

| Township | Range | Section | 1/4 of | 1/4 | Lot | Use | Acres |
|----------|-------|---------|--------|-----|-----|-----|-------|
| 01N      | 01W   | 8       | NW     | NE  |     | IRR | 5.0   |

10. Place of Use: Continued

| Township | Range | Section | 1/4 | of | 1/4 | Lot | Use           | Acres |
|----------|-------|---------|-----|----|-----|-----|---------------|-------|
| 01N      | 01W   | 8       | SW  |    | NE  |     | IRR           | 19.0  |
|          |       |         | NE  |    | SW  |     | IRR           | 19.0  |
|          |       |         | SE  |    | SW  |     | IRR           | 23.0  |
|          |       |         | NE  |    | SE  |     | IRR           | 12.0  |
|          |       |         | NW  |    | SE  |     | IRR           | 39.0  |
|          |       |         | SW  |    | SE  |     | IRR           | 39.0  |
|          |       |         | SE  |    | SE  |     | IRR           | 38.0  |
|          |       |         |     |    |     |     | Section Acres | 194.0 |
|          |       | 17      | NW  |    | NW  |     | IRR           | 2.0   |
|          |       |         | SW  |    | NW  |     | IRR           | 39.0  |
|          |       |         |     |    |     |     | Section Acres | 41.0  |
|          |       |         |     |    |     |     | Total Acres   | 235.0 |

11. Place of use in counties: ADA

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

13. Other Water Rights Used:

14. Remarks:

CHANGE OF OWNERSHIP BY MTS 6/5/1996

15. Basis of Claim: LICENSE

Water Right Number: 30815

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 \_\_\_\_\_ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: \_\_\_\_\_

**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): \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

State of Idaho )  
 ) SS.  
County of \_\_\_\_\_ )

Subscribed and sworn (or affirmed) before me this \_\_\_\_\_ day

of \_\_\_\_\_ 19 \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Seal

Residing at \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Draft

04/08/2005

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

RIGHT NUMBER: 63-32034

NAME AND ADDRESS: LONNIE L SVEDIN  
7833 S ROBINSON RD  
MELBA ID 83641

LYNNE SVEDIN  
7833 S ROBINSON RD  
MELBA ID 83641

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 2.760 CFS  
905.200 AFY

PRIORITY DATE: 11/21/1962

POINT OF DIVERSION:

T01N R01W S8 NWSE Within ADA County

PURPOSE AND  
PERIOD OF USE:

| <u>PURPOSE OF USE</u> | <u>PERIOD OF USE</u> | <u>QUANTITY</u>         |
|-----------------------|----------------------|-------------------------|
| IRRIGATION            | 04/01 10/31          | 2.760 CFS<br>905.20 AFY |

THE USE OF WATER FOR IRRIGATION UNDER THIS RIGHT MAY BEGIN AS EARLY AS MARCH 1 AND MAY CONTINUE TO AS LATE AS NOVEMBER 15, PROVIDED OTHER ELEMENTS OF THE RIGHT ARE NOT EXCEEDED. THE USE OF WATER BEFORE APRIL 1 AND AFTER OCTOBER 31 UNDER THIS REMARK IS SUBORDINATE TO ALL WATER RIGHTS HAVING NO SUBORDINATED EARLY OR LATE IRRIGATION USE AND A PRIORITY DATE EARLIER THAN THE DATE A PARTIAL DECREE IS ENTERED FOR THIS RIGHT.

PLACE OF USE: IRRIGATION Within ADA County

|               |        |      |               |        |      |
|---------------|--------|------|---------------|--------|------|
| T01N R01W S08 | NESW ✓ | 19.0 | T01N R01W S08 | SESW ✓ | 23.0 |
| T01N R01W S08 | NESE ✓ | 12.0 | T01N R01W S08 | NWSE ✓ | 39.0 |
| T01N R01W S08 | SWSE ✓ | 39.0 | T01N R01W S08 | SESE ✓ | 38.0 |
| T01N R01W S17 | NWNW ✓ | 2.0  | T01N R01W S17 | SWNW ✓ | 29.0 |

201 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: License



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: [www.idwr.idaho.gov](http://www.idwr.idaho.gov).

DIRK KEMPTHORNE  
Governor

KARL J. DREHER  
Director

October 31, 2005

ZIONS FIRST NATIONAL BANK  
2460 S 3270 W  
WEST VALLEY CITY UT 84119

RE: Snake River Basin Adjudication (SRBA)  
Notice of Claim to a Water Right #63-32034  
**Lonnie L and Lynne Svedin**

The only water right processed on your Notice of Security Interest received September 22, 2005, was 63-32034 where your Grantor (the Svedins) had conveyed part of the land under water right 63-31275 to Wortley and Thomas. The conveyance required splitting 63-31275 into two new water right numbers, one of which is 63-32034.

Water right 63-31274 for land in the NE $\frac{1}{4}$  of Section 8 is not associated with the land described in the documents submitted with the Notice. As a result, no further fee is required.

The processing of your Notice is complete and will remain in IDWR records until July 1, 2030, or when you notify us sooner when the mortgage is satisfied or the Grantor is released from the mortgage.

Sincerely,

Donald V. Shaff, MPA  
Manager, Adjudication Technical Section

DVS:ss:region

SCANNED

OCT 31 2005

RECEIVED

SEP 22 2005

Department of Water Resources

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES**Notice of Security Interest in a Water Right****And Request for Notification of a Change in Ownership or Any Proposed  
Or Final Action to Amend, Transfer, or Otherwise Modify a Water Right**

Please print or type. Attach pages with additional information. Instructions are on the back of this page.

Incomplete forms will be returned

1. Water Right No(s): 63-31274, 63-31275

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 right or claim 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  
2460 South 3270 West  
West Valley City, Utah 84119

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

Lonnie L Svedin and Lynne Svedin

5. Expiration Date of Notification Period

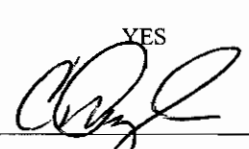
07/01/2030

6. Is this a Renewal of Request for Notification?

YES

NO

7. Signature(s) (and title if applicable)

  
 Loan Officer
**For Office Use Only**

Received by

Receipted by

Processed by

Date

Date

Date

9-22-05

10-31-05

Fee

Receipt No.

WR

Date

\$25.00/kk

C079176

SCANNED

OCT 31 2005

**EXHIBIT "A"****PARCEL I AND II:**

SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, THE EAST 1/2 SOUTHEAST QUARTER OF SECTION 8 AND PART OF THE WEST 1/2 SOUTHEAST QUARTER AND EAST 1/2 SOUTHWEST QUARTER, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SECTION LINE 1317.8 FEET WEST OF THE CORNER COMMON TO SECTIONS 8, 9, 16 AND 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN RUNNING THENCE NORTH 0°04' EAST 2642 FEET TO THE EAST AND WEST QUARTER SECTION LINE THROUGH THE CENTER OF SECTION 8; THENCE WEST ON THE SECTION LINE THROUGH THE CENTER OF THE SECTION 1567.3 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE WALDVOGEL LATERAL CANAL; THENCE SOUTH 44°18' WEST 550 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL; THENCE SOUTH 21°55' WEST 220 FEET; THENCE SOUTH 4°41' WEST 1995.2 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL TO THE SECTION LINE; THENCE EAST ON THE SECTION LINE BETWEEN SECTIONS 8 AND 17 A DISTANCE OF 2199.8 FEET TO THE POINT OF BEGINNING.

**PARCEL III:**

AN EASEMENT FOR INGRESS AND EGRESS PURPOSES LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A 1/2 INCH DIAMETER IRON PIN MAKING THE SOUTHWESTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER FROM WHICH A 5/8 INCH DIAMETER IRON PIN MARKING THE NORTHWESTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER BEARS NORTH 0°24'32" EAST, A DISTANCE OF 1321.48 FEET; THENCE SOUTH 89°30'47" EAST ALONG THE SOUTHERLY BOUNDARY OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 1319.48 FEET TO THE SOUTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE NORTH 0°25'22" EAST ALONG THE EASTERLY BOUNDARY OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER A DISTANCE OF 12.00 FEET TO A POINT; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 89°30'47" WEST A DISTANCE OF 1319.49 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE SOUTH 0°24'32" WEST ALONG SAID WESTERLY BOUNDARY A DISTANCE OF 12.00 FEET TO THE POINT OF BEGINNING.

**PARCEL IV:**

SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, THE SOUTHWEST QUARTER NORTHWEST QUARTER AND ALL THAT PART OF THE NORTHWEST QUARTER NORTHWEST QUARTER LYING SOUTH OF THE WALDVOGEL CANAL. EXCEPT: A PART OF THE SOUTHWEST QUARTER NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER, (WEST QUARTER CORNER), SAID CORNER MONUMENTED WITH A RAIL ROAD SPIKE; THENCE NORTH 89°50'48" EAST, A DISTANCE OF 299.08 FEET, (FORMERLY 300.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO THE POINT OF BEGINNING, SAID POINT MONUMENTED WITH A 1/2 INCH DIAMETER IRON PIN; THENCE CONTINUING NORTH 89°50'48" EAST, A DISTANCE OF 106.00 FEET ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO A 1/2 INCH DIAMETER IRON PIN; THENCE NORTH 0°04'00" WEST, A DISTANCE OF 190.00 FEET PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO A 1/2 INCH DIAMETER IRON PIN; THENCE SOUTH 89°50'48" WEST, A DISTANCE OF 106.00 FEET PARALLEL WITH THE SOUTH BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO A 1/2 INCH DIAMETER IRON PIN; THENCE SOUTH 0°04'00" EAST, A DISTANCE OF 190.00 FEET PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO THE POINT OF BEGINNING. AND EXCEPT: A PART OF THE SOUTHWEST QUARTER NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1

WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER, (WEST QUARTER CORNER), SAID CORNER MONUMENTED WITH A RAIL ROAD SPIKE; THENCE NORTH 89°50'48" EAST, A DISTANCE OF 405.08 FEET, (FORMERLY 441.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO THE POINT OF BEGINNING, SAID POINT MONUMENTED WITH A ½ INCH DIAMETER IRON PIN; THENCE CONTINUING

NORTH 89°50'48" EAST, A DISTANCE OF 400.00 FEET, (FORMERLY 350.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO A 1/2 INCH DIAMETER IRON PIN; THENCE NORTH 0°04'00" WEST, A DISTANCE OF 383.00 FEET, (FORMERLY 387.00 FEET), PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO A 1/2 INCH DIAMETER IRON PIN; THENCE SOUTH 89°50'48" WEST, A DISTANCE OF 400.00 FEET, (FORMERLY 350.00 FEET), PARALLEL WITH THE SOUTH BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO A 1/2 INCH DIAMETER IRON PIN; THENCE SOUTH 0°04'00" EAST, A DISTANCE OF 383.00 FEET, (FORMERLY 387.00 FEET), PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST QUARTER NORTHWEST QUARTER TO THE POINT OF BEGINNING. AND EXCEPT: A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE QUARTER CORNER COMMON TO SECTION 18 AND THE SAID SECTION 17, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 17 BEARS NORTH 00°04'00" WEST, 2,668.63 FEET; THENCE ALONG THE EAST-WEST MID-SECTION LINE NORTH 89°50'48" EAST, 805.08 FEET TO THE REAL POINT OF BEGINNING; THENCE NORTH 00°04'00" WEST, 549.84 FEET; THENCE NORTH 89°50'48" EAST, 513.70 FEET TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE ALONG SAID LINE SOUTH 00°02'54" EAST, 549.84 FEET TO THE C-W 1/16 CORNER; THENCE SOUTH 89°50'48" WEST, 513.53 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH ANY AND ALL WATER RIGHTS NOW OWNED OR HEREAFTER ACQUIRED WHICH ARE APPURTENANT THERETO. WATER RIGHT NUMBER 63-31275

31  
RECORDATION REQUESTED BY:  
ZIONS FIRST NATIONAL BANK  
WEISER BRANCH  
606 STATE STREET  
WEISER, ID 83672

ADA COUNTY RECORDER J. DAVIL  
BOISE IDAHO 08/24/05 08:07 AM  
DEPUTY Bonnie Oberbillig  
RECORDED - REQUEST OF  
First American

JARRO

AMOUNT 33.00

11



**WHEN RECORDED MAIL TO:**

Zions First National Bank  
Loan Servicing Group - UT RDWG 0187  
2460 South 3270 West  
West Valley City, UT 84119

4109-618355/07

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



\*00000000000009002074508152005\*

**MORTGAGE**

**THIS MORTGAGE** dated August 15, 2005, is made and executed between **LONNIE L SVEDIN** and **LYNNE SVEDIN**, husband and wife (referred to below as "Grantor") and **ZIONS FIRST NATIONAL BANK**, whose address is **606 STATE STREET, WEISER, ID 83672** (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 **ADA County, State of Idaho**:

See Exhibit "A", which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as **6220 W. KUNA CAVE ROAD, KUNA, ID 83634**. The Real Property tax identification number is **S2217233650**

**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, determined or undetermined, absolute or contingent, liquidated or unliquidated 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 tenantable 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 or 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.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

**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.

**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, 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 take whatever 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 not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the 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 to the extent permitted by applicable law.

**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, refiled, 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 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 any default, other than a default in payment 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 if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default 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. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

**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.

**HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION.** A. This commitment is conditional upon loan proceeds not being used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

B. All guaranteed lenders will be required to monitor compliance of these requirements as part of their servicing responsibilities. During loan servicing contacts the Borrower's compliance is to be reviewed and analyzed. If the Borrower violates 7 C.F.R. Part 1940, Subpart G, Exhibit M requirements, the loan will be in default.

C. If loan applicants' farm properties contain any highly erodible land, wetland, or converted wetland; the lender will include the following provisions in its debt and security loan instruments:

Default shall also exist if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible the production of an agricultural commodity, further explained in 7 CFR Part 1940, Subpart G, Exhibit "M".

**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) Judgment 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 thereof 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 federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Idaho without regard to its conflicts of law provisions. 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 LONNIE L SVEDIN and LYNNE SVEDIN and includes all co-signers and co-makers signing the Note.

**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 LONNIE L SVEDIN and LYNNE SVEDIN.

**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 and includes without limitation all Loans, together with all other obligations, debts and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

**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 August 15, 2005, in the original principal amount of \$85,000.00 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. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

**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.

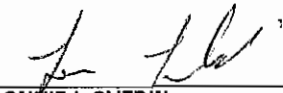
**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

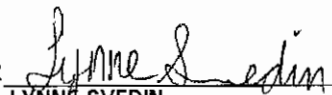
**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether 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   
LONNIE L SVEDIN

X   
LYNNE SVEDIN

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Idaho

)

COUNTY OF Ada

) SS

)

On this 22nd day of August, in the year 20 05, before me D. Watts, a notary public in and for the State of Idaho, personally appeared LONNIE L SVEDIN and LYNNE SVEDIN, 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.

D. Watts  
Notary Public for Idaho

Residing at Meridian, IdahoMy commission expires 01-18-07