

FORM 202
12/99Ident. No. 25-14163

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

1. Name of Applicant M&B Investments, LLC Phone 524-9000
Mailing address 665 S. Woodruff Av. Idaho Falls, ID 83401
2. Source of water supply Ground which is a tributary of N/A
3. Location of point of diversion is Township 4N Range 38E Sec. 13, In the SE $\frac{1}{4}$,
SW $\frac{1}{4}$, SW $\frac{1}{4}$, Govt. Lot N/A, B.M., Jefferson County;
additional points of diversion if any: N/A
4. Water will be used for the following purposes:
 Amount 0.72 for Domestic purposes from 1/1 to 12/31 (both dates inclusive)
(cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)
5. Total quantity to be appropriated is (a) 0.72 and/or (b) N/A
cubic feet per second acre feet per annum
6. Proposed diverting works:
 - a. Describe type and size of devices used to divert water from the source Two Wells - Community Water System
 - b. Height of storage dam N/A feet; active reservoir capacity N/A acre-feet; total reservoir capacity N/A acre-feet
 - c. Proposed well diameter is 10 inches; proposed depth of well is 200 feet
 - d. Is ground water with a temperature of greater than 85°F being sought? No
 - e. If well is already drilled, when? N/A; Drilling firm N/A;
Well was drilled for (well owner) N/A; Drilling Permit No. _____
7. Time required for completion of works and application of water to proposed beneficial use is 5 years (minimum 1 year)
8. Description of proposed uses (if irrigation only, go to Item 9):
 - a. Hydropower; show total feet of head and proposed capacity in kW. N/A
 - b. Stockwatering; list number and kind of livestock. N/A
 - c. Municipal; show name of municipality. N/A
 - d. Domestic; show number of households. 39 Homes
 - e. Other; describe fully. N/A

j. Description of place of use:

- a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
- b. If water is used for other purposes, place a symbol of the use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4N	38E	13											D						D

Total number of acres to be irrigated D10. Describe any other water rights used for the same purposes as described above. N/A11. a. Who owns the property at the point of diversion? Applicantb. Who owns the land to be irrigated or place of use? Applicantc. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing: N/A12. Remarks: N/A13. **MAP OF PROPOSED PROJECT REQUIRED** - Attach an 8 1/2"x11" map clearly identifying the proposed point of diversion, place of use, section #, township & range. (A photocopy of a USGS 7.5 minute topographic quadrangle map is preferred.)

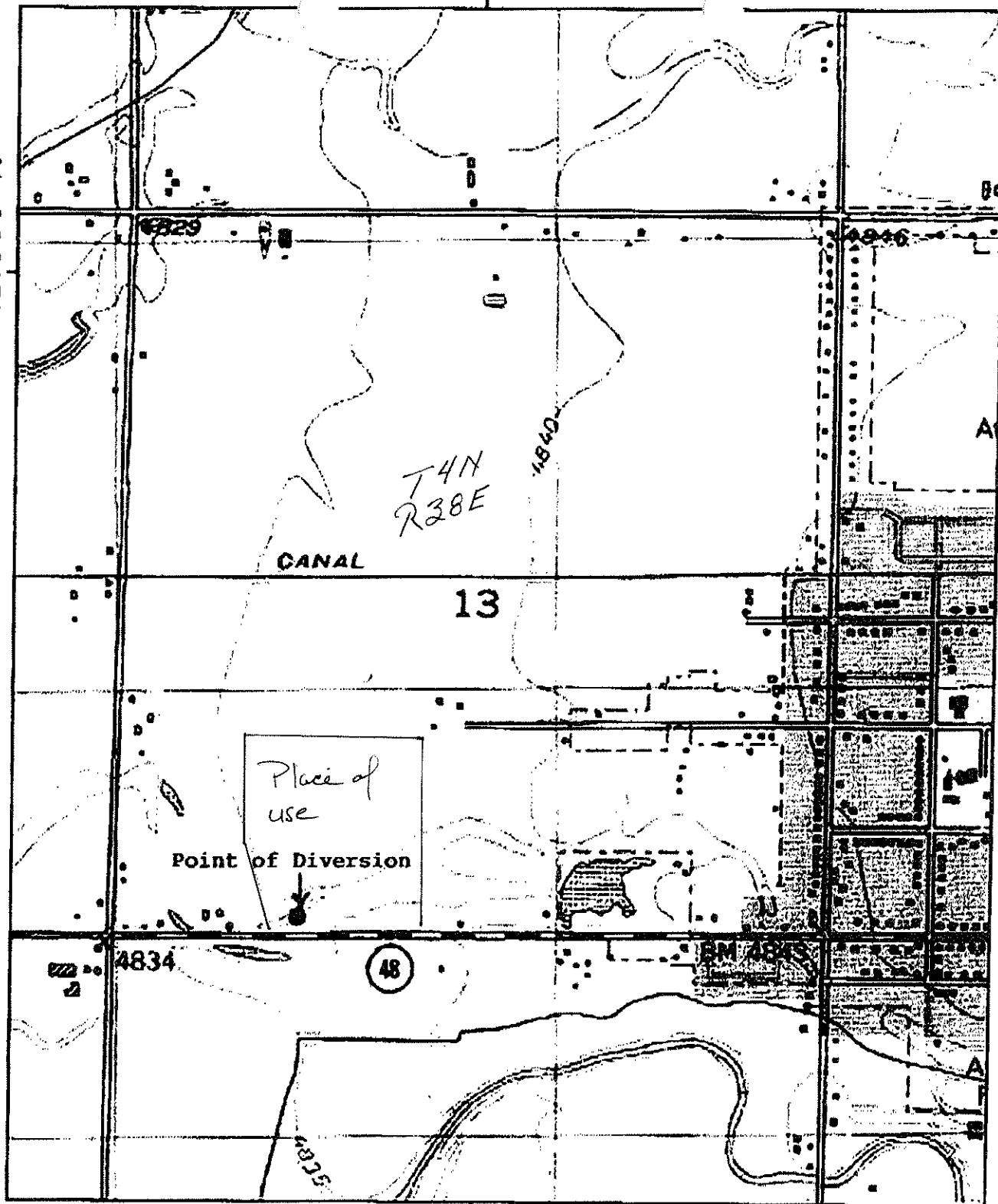
BE IT KNOWN that the undersigned hereby makes this application for permit to appropriate the public waters of the State of Idaho as herein set forth.

M & B Investments L.L.C.
 By: *Dean M. Mortimer*
 Signature of Applicant (and title, if applicable) *Member*

Received by AMS Date 12-9-2004 Time 12:09 Preliminary check by AMS Date 12-9-2004
 Fee \$ 25.00 Received by AMS # ED30464
 Publication prepared by SC Date 1/19/05 Published in Jefferson Star
 Publication approved _____ Date _____

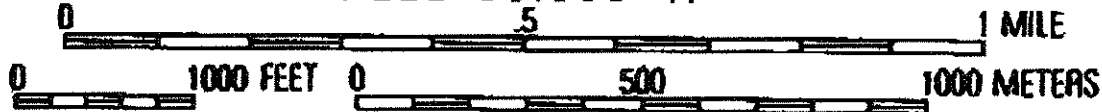
43°41.000' N

43°41.000' N



WGS84 111°56.000' W

TN * MN
14°



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**OPERATING AGREEMENT
OF
M&B INVESTMENTS, LLC**

This Operating Agreement of M&B Investments, LLC, a limited liability company organized pursuant to the Act, is entered into and shall be effective as of the Effective Date, by First Financial Corporation, an Idaho corporation, and Jesse Byram and Debbie Byram, husband and wife.

**ARTICLE I
FORMATION**

1.1. **Organization.** The Members hereby organize the Company as an Idaho limited liability company pursuant to the provisions of the Act.

1.2. **Name.** The name of the Company is M&B Investments, LLC, and all business of the Company shall be conducted under that name.

1.3. **Effective Date.** This Agreement shall be effective upon the filing of the Articles with the Idaho Secretary of State on October 2, 2003.

1.4. **Term.** The Company shall be dissolved and its affairs wound up in accordance with the Act or this Agreement.

1.5. **Registered Agent and Office.** The registered agent for the service of process and the registered office shall be that person and location reflected in the Articles as filed in the office of the Secretary of State. The registered officer or agent may be changed by indicating the change on the annual report prescribed by the Act or by delivering to the Secretary of State the Statement of Change of Registered Agent meeting the requirements of the Act.

1.6. **Nature of Business.** The Company is created for the purposes of owning, developing, leasing and selling real property and to transact any or all other lawful business approved in writing by all the Members. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Agreement.

ARTICLE II DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

Act. The Idaho Limited Liability Company Act and all amendments to the Act.

Agreement. This Operating Agreement including all amendments adopted in accordance herewith and the Act.

Articles. The Articles of Organization of the Company as properly adopted and amended from time to time by the Members and filed with the Secretary of State.

Assignee. A person to whom one or more Units has been transferred but who has not been admitted as a Member. An Assignee is treated as a Member for the limited purposes specified under the definition of Member.

Capital Account. The account maintained for a Member or Assignee determined in accordance with Article III.

Capital Contribution. Any contribution of Property, services or the obligation to contribute Property or services made by or on behalf of a Member or Assignee.

Code. The Internal Revenue Code of 1986 as amended from time to time.

Company. M&B Investments, LLC, a limited liability company formed under the Act, and any successor limited liability company.

Company Liability. Any enforceable debt or obligation for which the Company is liable or which is secured by any Company Property.

Company Property. Any Property owned by the Company.

Consent of the Members. Consent of the Members requires that Members holding a majority of the Units entitled to vote consent to or approve a particular matter, unless the applicable provision of this Agreement specifically requires the unanimous agreement of all Members. Assignees shall not be considered Members with Units entitled to vote for the purpose of determining Consent of the Members.

Disposition (Dispose). Any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including but not limited to Dispositions by operation of law or pursuant to a voluntary or an involuntary bankruptcy proceeding).

Dissociation. Any action which causes a person to cease to be Member as described in Article X of this Agreement.

Distribution (Distribute). A transfer of Property to a Member on account of Units as described in Article VI.

Initial Capital Contribution. The Capital Contribution agreed to be made by the Initial Members as described in Article III.

Initial Members. Those persons identified on Exhibit A attached hereto and made a part of this Agreement by this reference who have executed this Agreement.

Losses. The losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

Management Right. The right of a Member to participate in the management of the Company, including the right to consent to or approve actions of the Company. Every Member may vote his or her Units on any issue subject to a vote of the Members, except the Seller's Units shall be ignored for all votes under Article VIII.

Member. A person or organization who holds Units and who also has the right to exercise the Management Rights attributable to those Units by reason of being (i) an Initial Member, or (ii) admitted as a Member pursuant to Article IX. An Assignee is treated as a Member for the limited purposes of accounting, taxation and Distributions, whether or not specifically referred to in those sections of this Agreement dealing with such matters. The treatment of an Assignee as a Member for such limited purposes does not confer upon the Assignee any rights to vote or to participate in management of the Company.

Profits. The income and gains of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

Property. Any property, real or personal, tangible or intangible, including money and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

Regulations. Except where the context indicates otherwise, the permanent, temporary, and proposed regulations of Department of the Treasury under the Code as such regulations may be lawfully changed from time to time.

Remaining Members. In the event of Dissociation of a Member, all of the Members at the time of such Dissociation other than the Member who is Dissociated. In the event of a Member who has any potential conflict of interest or transaction between the Member and the Company, the Members not having the potential conflict of interest or transaction. In the event of a Disposition of Units, the Members not disposing of their Units.

Sharing Ratio. With respect to any Member or Assignee, a fraction (expressed as a percentage), the numerator of which is the total of such person's Units and the denominator is the total of all Units of all Members and Assignees.

Taxable Year. The taxable year of the Company as determined pursuant to §706 of the Code.

Taxing Jurisdiction. Any state, local, or foreign government that collects tax, interest or penalties, however designated, on any Member's share of the income or gain attributable to the Company.

Units. Ownership rights of a Member of the Company as further set forth in Article III.

ARTICLE III CONTRIBUTIONS, UNITS AND CAPITAL ACCOUNTS

3.1. **Units.** Ownership rights in the Company are reflected in Units. Each Unit has the following described rights.

3.1.1. Each Unit held by a Member has equal Management Rights with every other Unit held by Members and in matters subject to a vote of Members has one (1) vote.

3.1.2. Each Unit has equal rights with every other Unit with respect to the sharing of Profits and Losses and with respect to Distributions.

3.2. **Initial Capital Contributions.** The name, address, description and value of the Initial Capital Contributions, and number of Units issued to each Initial Member are as set forth in the attached Exhibit A.

3.3. **Disposition of Units.** No Member may Dispose of Units except as provided in this Agreement. Any such Disposition results in the Disposition of the rights in Profits and Losses and the rights in the Capital Account attributable to the Units, but no rights to vote unless the Assignee becomes a Member.

3.4. **Subsequent Capital Contributions.** No Member shall be required or permitted to make additional contributions to the capital of the Company, without the unanimous approval of all Members. If such approval is obtained and additional capital is contributed to the Company, the Capital Account and Units of the contributing Member shall be adjusted to reflect the additional capital contribution.

3.5. **Capital Accounts.** The Company shall establish and maintain a Capital Account for each Member and Assignee. Each Member's Capital Account shall be increased by (1) the amount of any money actually contributed by the Member to the capital of the Company, (2) the fair market value of any Property contributed, as determined by the Company and the contributing Member at arm's length at the time of contribution (net of liabilities assumed by the Company or subject to which the Company takes such Property, within the meaning of § 752 of the Code), and (3) the Member's share of Profits and of any separately allocated items of income or gain except adjustments required by the Code (including any gain and income from unrealized income with respect to accounts receivable allocated to the Member to reflect the difference between the book value and tax basis of assets contributed by the Member). Each Member's Capital Account shall be decreased by (1) the amount of any money Distributed to the Member by the Company, (2) the fair market value of any Property Distributed to the Member, as determined by the Company and the contributing Member at arm's length at the time of contribution (net of liabilities of the Company assumed by the Member or subject to which the Member takes such Property within the meaning of § 752 of the Code), and (3) the Member's share of Losses and of any separately allocated items of deduction or loss (including any loss or deduction allocated to the Member to reflect the difference between the book value and tax basis of assets contributed by the Member).

3.6. **Distribution of Property.** If the Company at any time Distributes any of its Property in-kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share (as determined under Article VI) of the Profits or Losses that would have been realized by the Company had it sold the Property that was Distributed at its fair market value immediately prior to its Distribution.

ARTICLE IV
PRINCIPAL OFFICE; ACCOUNTING AND RECORDS

4.1. Principal Office. The principal office of the Company shall be as designated by the Consent of the Members.

4.2. Records to be Maintained. The Company books shall be maintained at the principal office of the Company or such other place as the Members agree. Each Member shall at all times have reasonable access to and may inspect and copy any of them. The Company shall maintain books and records which properly reflect all financial transactions made by the Company. The Company shall not be required to maintain the records set forth in Idaho Code § 53-625 except to the extent the Members may determine.

4.3. Reports to Members. All Members shall be entitled to receive financial reports on the Company at least annually. All Members shall be provided with those information returns required by law.

ARTICLE V
RIGHTS AND DUTIES OF MEMBERS

5.1. Management Rights. All Members who have not Dissociated shall be entitled to participate in making decisions and bind the Company except with respect to Policy Decisions as defined in Section 5.2.

5.2. Policy Decisions. All Policy Decisions of the Company and the binding of the Company with regard to Policy Decisions require the Consent of the Members. For purposes of this Agreement, a Policy Decision shall be any decision to be made with regard to the following:

5.2.1. Borrowing money or guaranteeing loans or other obligations in the Company's name, other than in the ordinary course of the Company's business. For purposes of this Agreement, borrowing money or guaranteeing a loan in excess of \$5,000.00 shall be presumed not to be in the ordinary course of the Company's business;

5.2.2. Transferring, hypothecating, compromising or releasing any Company claim of material value except on payment in full;

5.2.3. Selling or hypothecating any Company Property or entering into any contract other than in the ordinary course of the Company's business;

5.2.4. Knowingly suffering or causing anything to be done whereby the Company Property may be seized or attached or taken in execution, or its ownership or possession otherwise jeopardized;

5.2.5. Taking any action that would terminate the Company's treatment as a partnership under the Code.

5.3. Liability of Members. No Member shall be liable for any Company Liability. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not be construed as creating a deficit restoration obligation or otherwise personally obligate any Member to make a Capital Contribution in excess of the Initial Capital Contribution.

5.4. Indemnification. The Company shall indemnify the Members, and their agents for all costs, losses, liabilities, and damages paid or accrued by them in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State of Idaho.

5.5. Representations and Warranties. Each Member hereby represents and warrants to the Company and each other Member that: (a) the Member is acquiring its interest in the Company for the Member's own account as an investment and without an intent to distribute the interest; (b) the Member acknowledges that the Units have not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

5.6. Conflicts of Interest. A Member shall be entitled to enter into transactions that may be considered to be competitive with, or a business opportunity that may be beneficial to, the Company. A Member does not violate a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interest. A Member may lend money to and transact other business with the Company. The rights and obligations of a Member who lends money to or transacts business with the Company are the same as those of a person who is not a Member, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member has a direct or indirect interest in the

transaction if either (i) the transaction is fair to the Company or (ii) the transaction is approved or ratified by the Consent of the Members.

5.7. Compensation of Members. Members may be employed and compensated for performing services for the Company only with the express written Consent of the Members.

5.8. Title to and Conveyance of Company Property. Title to Company Property shall be held in the Company name. Conveyance of title to real property held in the name of the Company shall be effective only upon the execution of all documents relating thereto by all Members (excluding Assignees).

5.9. Duties of Members. No Member shall be required to devote full time to the affairs of the Company but each Member shall devote whatever time, effort and skill may be necessary for the efficient and successful conduct of the Company's business.

5.10. Outside Activities of Members. Any Member may engage in or possess an interest in other business ventures of every nature and description independently or with others, including but not limited to, the ownership of an investment in stock, securities, real estate and other investment properties; and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or Profits derived therefrom.

ARTICLE VI ALLOCATIONS AND DISTRIBUTIONS

6.1. Allocations of Profits and Losses from Operations. Except as may be required by § 704(c) of the Code and Sections 6.2 and 6.3, Profits, Losses, and other items of income, gain, loss, deduction and credit shall be apportioned among the Members in proportion to their Sharing Ratios.

6.2. Distributions. Each year the Company shall Distribute cash in an amount determined by the Consent of the Members. Cash shall be Distributed according to each Member's Sharing Ratio.

6.3. Limitations on Distributions. No Distribution shall be declared and paid unless, after the Distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their Capital Accounts.

ARTICLE VII TAXES

7.1. **Elections.** The Members, by Consent of the Members, may make any tax elections for the Company allowed under the Code or the tax laws of any Taxing Jurisdiction. The Company shall be taxed as a partnership.

7.2. Taxes of Taxing Jurisdictions.

7.2.1. To the extent that the laws of any Taxing Jurisdiction require, each Member and Assignee or such Members or Assignees as may be required by the Taxing Jurisdiction, will submit an agreement indicating that the Member will make timely income tax payments to the Taxing Jurisdiction and that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest, and penalties assessed on such income. If a Member fails to provide such agreement, the Company may withhold and pay over to such Taxing Jurisdiction the amount of tax, penalty and interest determined under the laws of the Taxing Jurisdiction with respect to such Member and such Member's income. Any such payments with respect to the income of a Member shall be treated as a Distribution for purposes of Article VI.

7.2.2. The Members may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax interest and penalties so paid.

7.3. **Tax Matters Partner.** The Members shall designate one (1) of their number as the *tax matters partner* of the Company pursuant to § 6231(a)(7) of the Code. Any Member designated as tax matters partner shall take such action as may be necessary to cause each other Member to become a *notice partner* within the meaning of § 6223 of the Code. Any Member who is designated tax matter partner may not take any action contemplated by §§ 6222 through 6232 of the Code without the Consent of the Members.

7.4. **Method of Accounting.** The records of the Company shall be maintained on the method of accounting determined by Consent of the Members.

ARTICLE VIII DISPOSITION OF UNITS

8.1 Transfer and Death. Any Member may transfer Units in the Company by sale, gift, testate or intestate disposition or otherwise, and the transferee shall become a Member of the Company.

8.2. Withdrawal of a Member.

8.2.1. Upon the withdrawal of a Member, the Member or the Member's successors in interest (referred to as the "Seller") shall give written notice to the Company and the other Members of an offer to sell all of the Units owned by the Seller.

8.2.2. The Company shall have the option for a period of sixty (60) days (the "Company Option Period") from the effective date of the notice under subsection 8.2.1 above to purchase all the Units so offered. If the option is not exercised within the Company Option Period as to all the Units so offered, the Members shall have the option for a period of thirty (30) days commencing with the end of the Company Option Period to purchase all the remaining Units so offered (the "Member Option Period"). The options may not be exercised on only a portion of the Units offered for sale. In order to be validly exercised, the options together must be exercised on all of the Units offered for sale. If the above options are not exercised as to all of the Units so offered, the Company shall be obligated to purchase all such remaining Units or to liquidate its assets and dissolve. The Company shall have thirty (30) days after the expiration of the Member Option Period to purchase such Units.

8.3. Involuntary Disposition.

8.3.1. Upon the involuntary lifetime Disposition of the Units of any Member, including but not limited to any Disposition pursuant to a voluntary or involuntary bankruptcy proceeding, the Member or the Member's successors in interest (referred to as the "Seller") shall give written notice to the Company and the other Members of an offer to sell all of the Units owned by the Seller.

8.3.2. The Company shall have the option for a period of sixty (60) days (the "Company Option Period") from the effective date of the notice under subsection 8.3.1 above to purchase all the Units so offered. If the option is not exercised within the Company Option Period as to all the Units so offered, the Members shall have the option for a period of thirty (30) days commencing with the end of the Company Option Period to purchase all the remaining Units so offered (the "Member Option Period"). The options may not be exercised on only a portion of the Units offered for sale. In order to be validly exercised, the

options together must be exercised on all of the Units offered for sale. If the above options are not exercised as to all of the Units so offered, the transferee of such Units shall have all rights of an Assignee but shall not become a Member unless admitted to the Company as a Member in accordance with Article IX.

8.4. Terms of Purchase.

8.4.1. If the Company or the Members (the "Purchaser") purchase under Sections 8.2 or 8.3, the purchase price for the Units shall be the value as set forth in the latest Certificate of Agreed Value filed with the Company.

8.4.2. The term "Certificate of Agreed Value" shall refer to a written agreement signed by all of the Members of the Company, which shall state the value of the Company for purposes of this Agreement. The Members shall file with the Company a Certificate of Agreed Value each year. Except as otherwise provided, the failure to file any certificate shall not invalidate the value set forth in the last certificate so filed. The Members may file with the Company a Certificate of Agreed Value at more frequent intervals.

8.4.3. If the date of the most recent Certificate of Agreed Value is more than one (1) year prior to the date at which any Units are offered for sale under Agreement, the value set forth in said last Certificate of Agreed Value shall be increased or decreased in the same proportion as the book value of the Units of the Company shall have increased or decreased since the filing of said last Certificate of Agreed Value. Said book value of the Units of the Company shall be determined in accordance with generally accepted accounting principles applied on a basis consistent with the prior accounting period and shall include the cash surrender values of life insurance policies owned by the Company on the lives of the Members but shall not include the proceeds of any policy insuring the life of a deceased Member in excess of its cash surrender value.

8.4.4. If the date of the most recent Certificate of Agreed Value is more than two (2) years prior to the date at which any Units are offered for sale under this Agreement, the Certificate of Agreed Value shall be of no further effect and the value of Units of the Company for the purpose of determining the purchase price shall be determined by the parties to the transaction. If the Purchaser and the Seller cannot agree on the value, the Units shall be appraised. If the Purchaser and the Seller cannot agree on an appraiser, they shall each appoint an appraiser. If the two appraisers cannot agree upon the value of such Units, they shall appoint a third appraiser. If the two appraisers cannot agree upon a third appraiser, one shall be appointed by a court of competent jurisdiction. The decision of the majority of the three appraisers shall be binding on all parties. If a majority of the three appraisers cannot agree upon the value of the Units, then the value of the Units shall be the average of

the three values determined by the appraisers. In making such appraisal, the appraisers may consider all relevant factors affecting the value of the Units, including, but not limited to market value, net asset value, and investment or capitalized earnings value. The parties realize that such valuation may take into account premiums due to majority interest or discounts due to minority interest. The appraisers may consider as an asset of the Company the cash surrender values of life insurance policies owned by the Company on the lives of the Members but shall not include the proceeds of any policy insuring the life of a deceased Member in excess of its cash surrender value. The cost of appraisal shall be shared equally by the Purchaser and the Seller.

8.4.5. The closing date for any purchase or redemption of Units under the terms and conditions of this Agreement shall be not later than six (6) months following the effective date of notice.

8.4.6. On the closing date, the Purchaser shall pay the purchase price for the Units in full.

8.5. Miscellaneous.

8.5.1. The Units purchased by the Company shall have no voting or other rights while held by the Company. Units purchased by any Member shall have all rights and said rights shall belong to the Purchaser.

8.5.2. If purchase offers from the Remaining Members specify in the aggregate more Units than are available for purchase by the Members, each Member shall have priority, up to the number of Units specified in the Member's notice, to such proportion of the available Units as the Member's Units bears to the Units of all Members electing to purchase. The Units not purchased on such a priority basis shall be allocated in one or more successive allocations to those Members electing to purchase more than the Units to which they have priority right, up to the Units specified in their respective notices, in the proportion that the Units held by each of them bears to the Units held by those Members entitled to purchase such excess Units.

8.5.3. The Company shall make an election under §754 of the Internal Revenue Code of 1986, as amended, for the year in which a Member's Units in the Company terminates.

8.5.4. The parties hereby declare that it is impossible to measure in money the damages which will accrue to any party, by reason of a failure to perform any of the obligations under this Agreement and that the remedy of the Members or the Company for

a breach of this Agreement is not adequate at law. Any Member, Seller, or the Company may enforce rights hereunder by injunction proceedings, proceedings for specific performance, or other equitable proceedings. Any person (including the Company) against whom such action or proceeding is brought hereby waives the claim or defense an adequate remedy at law exists.

ARTICLE IX ADMISSION OF ADDITIONAL MEMBERS

Except as otherwise provided in Article VIII, new Members shall be admitted to the Company only by the Consent of the Members. The Members may grant or withhold the approval of such admission for any reason, or no reason, in their sole and absolute discretion.

ARTICLE X DISSOCIATION OF A MEMBER

A person shall cease to be a Member, without breaching this Agreement, only upon transfer, death, withdrawal or involuntary disposition pursuant to Article VIII. Any other withdrawal by a Member or transfer of a Member's Units shall constitute a breach of this Agreement.

ARTICLE XI DISSOLUTION AND WINDING UP

11.1. Dissolution. The Company shall be dissolved and its affairs wound up, upon the first to occur of the following events:

- 11.1.1. the expiration of the Term;
- 11.1.2. the unanimous written approval of all of the Members;
- 11.1.3. the Dissociation of any Member unless the business of the Company is continued with the Consent of the Remaining Members.

11.2. Effect of Dissolution. Upon dissolution, the Company shall cease carrying on as distinguished from the winding up of the Company business, but the Company is not

terminated, but continues until the winding up of the affairs of the Company is completed and the Certificate of Dissolution has been issued by the Secretary of State.

11.3. Distribution of Assets on Dissolution. Upon the winding up of the Company, the Company Property shall be Distributed:

11.3.1. to creditors, including Members who are creditors, to the extent permitted by law, in satisfaction of Company Liabilities;

11.3.2. to Members, first pro rata in accordance with and to the extent of their Capital Accounts taking into account all Capital Account adjustments for the Company's taxable year in which the liquidation occurs, and second in accordance with their Sharing Ratios. Liquidation proceeds shall be paid within sixty (60) days of the end of the Company's taxable year or, if later, within ninety (90) days after the date of liquidation. Such Distributions shall be in cash or Property (which need not be Distributed proportionately) or partly in both, as determined by the Consent of the Members.

11.4. Winding Up and Certificate of Dissolution. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all of the remaining Property and assets of the Company have been Distributed to the Members. Upon the completion of winding up of the Company, a certificate of dissolution shall be delivered to the Secretary of State for filing. The certificate of dissolution shall set forth the information required by the Act.

ARTICLE XII AMENDMENT

This Agreement may be amended or modified from time to time only by a written instrument executed by all of the Members at the time of the amendment. No Member shall have any vested rights in this Agreement which may not be modified through an amendment to this Agreement.

ARTICLE XIII MISCELLANEOUS PROVISIONS

13.1. Entire Agreement. This Agreement represents the entire agreement among all the Members and between the Members and the Company pertaining to the subject matter of this Agreement.

13.2. No Partnership Intended for Nontax Purposes. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership under either the Idaho Uniform Partnership Act nor the Idaho Uniform Limited Partnership Act. The Members do not intend to be partners one to another, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

13.3. Rights of Creditors and Third Parties under Agreement. This Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and Assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement, or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

13.4. Notice. Any notice required hereunder shall be effective when (i) mailed by certified mail, postage paid, addressed as follows, or (ii) when such notice is delivered to the recipient in person, or (iii) when sent by telefax to a number designated by the recipient. The addresses are as follows:

Company:

DM *665*
M&B Investments, LLC
Attn: Dean Mortimer
625 South Woodruff Avenue
Idaho Falls, Idaho 83401

Members:

DM *665*
First Financial Corporation
Attn: Dean Mortimer
625 South Woodruff Avenue
Idaho Falls, Idaho 83401

Jesse Byram and Debbie Byram
454 North 3900 East
Rigby, Idaho 83442

Such addresses for receiving notices may be changed by any party at any time by written notice to the other Members and the Company.

13.5. Income Tax Provisions. All income tax provisions on the attached Exhibit B are incorporated by this reference.

IN WITNESS WHEREOF, we have hereunto set our hand on the date set forth beside our names.

Date: Dec 01, 2003.

FIRST FINANCIAL CORPORATION

By: Dean M Mortimer
Dean Mortimer, President

Date: Dec 01, 2003

Jesse Byram
Jesse Byram

Date: Dec 01 2003

Debbie Byram
Debbie Byram

GAWPDATAITWC_M&BWB.101103.operating.wpd:

EXHIBIT A			
<u>Names and Addresses of Members</u>	<u>Description of Initial Capital Contribution</u>	<u>Value</u>	<u>Units</u>
First Financial Corporation Attn: Dean Mortimer 625 South Woodruff Avenue Idaho Falls, Idaho 83401	Cash	\$100,000.00	50
Jesse Byram and Debbie Byram 425 North 3900 East Rigby, Idaho 83442	Cash	\$100,000.00	50

EXHIBIT B
INCOME TAX PROVISIONS

B.1. Compliance with § 704(b) of the Code. All provisions of the Agreement relating to maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified to cause the allocations of Profits, Losses, income, gain and credit pursuant to this Agreement to have substantial economic effect under the Regulations promulgated under § 704(b) of the Code, in light of the Distributions made pursuant to this Agreement.

B.2. Definitions. The definitions that follow are part of the Agreement.

Company Minimum Gain. An amount determined by first computing for each Company Nonrecourse Liability any gain the Company would realize if it disposed of the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Company Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any Taxable Year, the net increase or decrease in Company Minimum Gain is determined by comparing the Company Minimum Gain on the last day of the immediately preceding Taxable Year with the Minimum Gain on the last day of the current Taxable Year. Notwithstanding any provision to the contrary contained in this Agreement, Company Minimum Gain and increases and decreases in Company Minimum Gain are intended to be computed in accordance with § 704 of the Code and the Regulations. A Member's share of Company Minimum Gain at the end of any Taxable Year equals: the sum of Nonrecourse Deductions allocated to that Member (and to that Member's predecessors in interest) up to that time and the Distributions made to that Member (and to that Member's predecessors in interest) up to that time of proceeds of a nonrecourse liability allocable to an increase in Company Minimum Gain minus the sum of that Member's (and that Member's predecessors' in interest) aggregate share of the net decreases in Company Minimum Gain plus their aggregate share of decreases resulting from revaluations of Company Property subject to one or more Company Nonrecourse Liabilities.

Company Nonrecourse Liability. A Company Liability to the extent that no Member or Related Person bears the economic risk of loss (as defined in § 1.752-2 of the Regulations) with respect to the liability.

Member Minimum Gain. An amount determined by first computing for each Member Nonrecourse Liability any gain the Company would realize if it Disposed of the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Member Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any Taxable Year, the net increase or decrease in Member Minimum Gain is determined by comparing the Member Minimum Gain on the last day of the immediately preceding Taxable Year with the Member Minimum Gain on the last day of the current Taxable Year. Notwithstanding any provision to the contrary contained in this Agreement, Member Minimum Gain and increases and decreases in Member Minimum Gain are intended to be computed in accordance with § 704 of the Code and the Regulations.

Member Nonrecourse Liability. Any Company Liability to the extent the liability is nonrecourse under state law, and on which a Member or Related Person bears the economic risk of loss under § 1.752-2 of the Regulations because, for example, the Member or Related Person is the creditor or a guarantor.

Nonrecourse Liabilities. Nonrecourse liabilities include Company Nonrecourse Liabilities and Member Nonrecourse Liabilities.

Offsettable Decrease. Any allocation that unexpectedly causes or increases a deficit in the Member's Capital Account as of the end

of the taxable year to which the allocation relates attributable to depletion allowances under § 1.704-1(b)(2)(iv)(k) of the Regulations, allocations of loss and deductions under §§ 704(c)(2) or 706 of the Code or under § 1.751-1 of the Regulations, or Distributions that, as of the end of the year are reasonably expected to be made to the extent they exceed the offsetting increases to such Member's Capital Account that reasonably are expected to occur during or (prior to) the taxable years in which the such Distributions are expected to be made (other than increases pursuant to a Minimum Gain Chargeback).

Related Person. A person having a relationship to a Member that is described in § 1.752-4(b) of the Regulations.

B.3. Compliance with § 704(b) of the Code. The provisions of this Article III as they relate to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified to cause the allocations of Profits, Losses, income, gain and credit pursuant to Article VI of this Agreement to have substantial economic effect under the Regulations promulgated under § 704(b) of the Code, in light of the Distributions made pursuant to this Agreement and the Capital Contributions made pursuant to this Article III.

B.4. Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for a Taxable Year, each Member must be allocated items of income and gain for that Taxable Year equal to that Member's share of the net decrease in Company Minimum Gain. A Member's share of the net decrease in Company Minimum Gain is the amount of the total net decrease multiplied by the Member's percentage share of the Company Minimum Gain at the end of the immediately preceding Taxable Year. A Member's share of any decrease in Company Minimum Gain resulting from a revaluation of Company Property equals the increase in the Member's Capital Account attributable to the revaluation to the extent the reduction in minimum gain is caused by the revaluation. A Member is not subject to the Company Minimum Gain Chargeback Requirement to the extent the Member's share of the net decrease in Company Minimum Gain is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly a Recourse Liability or a Member Nonrecourse Liability, and the Member bears the economic risk of loss (within the meaning of § 1.752-2 of the Regulations) for the newly guaranteed, refinanced, or otherwise changed liability.

B.5. Member Minimum Gain Chargeback. If during a Taxable Year there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under § 1.704-2(f)(5) of the Regulations) as of the beginning of that Taxable Year must be allocated items of income and gain for that Taxable Year (and, if necessary, for succeeding Taxable Years) equal to that Member's share of the net decrease in the Company Minimum Gain. A Member's share of the net decrease in Member Minimum Gain is determined in a manner consistent with the provisions of § 1.704-2(g)(2) of the Regulations. A Member is not subject to this Member Minimum Gain Chargeback, however, to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Liability due to a conversion, refinancing, or other change in the debt instrument that causes it to become partially or wholly a Company Nonrecourse Liability. The amount that would otherwise be subject to the Member Minimum Gain Chargeback is added to the Member's share of Company Minimum Gain. In addition, rules consistent with those applicable to Company Minimum Gain shall be applied to determine the shares of Member Minimum Gain and Member Minimum Gain Chargeback to the extent provided under the Regulations issued pursuant to § 704(b) of the Code.

B.6. Qualified Income Offset. In the event any Member, in such capacity, unexpectedly receives an Offsettable Decrease, such Member will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income and gain for such year) in an amount and manner sufficient to offset such Offsettable Decrease as quickly as possible.