

Federal Agricultural Mortgage Corporation
1133 Twenty-First Street, NW - Suite 600
Washington DC 20036
Toll Free: (866) 552-4909
Tel: (202) 872-5558
Fax: (202) 872-7713
e-mail: jim_obrien@farmermac.com

Farmer Mac

Fedex

RECEIVED

DEC 20 2004

Department of Water Resources
Southern Region

To: Mr. Corey Skinner
State of Idaho
Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301

From: Jim O'Brien, Mortgage Servicing Dept.

Phone: (208) 736-3033 ext 224

Date: December 17, 2004

Re: Arkoosh

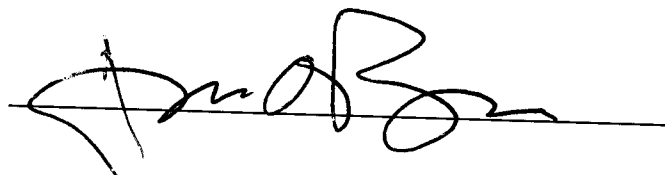
CC:

Transfer # 71639

☐ **Urgent** ☒ **For Review** ☐ **Please Comment** ☐ **Please Reply**

Attached is a notarized consent letter from Farmer Mac so that the Arkoosh application for water rights transfer (# 71639) can go forward.

Thank you.





Financing Rural America

Federal Agricultural Mortgage Corporation

1133 Twenty-First Street, N.W. ■ Washington, D.C. 20036

202-872-7700 ■ FAX 202-872-7713

800-879-FARM ■ www.farmermac.com

December 15, 2004

Mr. Corey Skinner
State of Idaho
Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301

RECEIVED

DEC 20 2004

Department of Water Resources
Southern Region

Re: Transfer No. 71639
Water Right 37-59M
Water Right 37-327
Water Right 37-329
William and Karen Arkoosh
2005 U.S. Hwy 26
Gooding, ID 83330

Dear Mr. Skinner:

The Federal Agricultural Mortgage Corporation, also known as Farmer Mac, is the owner of the AgFirst Farm Credit Bank mortgage loan 0900015100. The collateral that secures this loan includes the parcel in Lincoln County, Idaho, owned by William and Karen Arkoosh (see attached legal description and copy of recorded mortgage), that is directly affected by the application for the water right transfer, also known as Transfer No. 71639.

Farmer Mac consents to the proposed changes as outlined on the attached application for Transfer No. 71639. This consent is limited to the changes as outlined on the attached application.

If you have any questions, please contact Jim O'Brien at (202)872-5558

Sincerely,

Michael P. Morris

Vice President – Agricultural Credit

Kenneth G. Winning
Twin Falls, District of Columbia
Approved by Special Agent January 1, 2005

LEGAL DESCRIPTION

Parcel No. 1:

Township 5 South, Range 15, East of the Boise Meridian, Gooding County, Idaho.

Section 25: $S\frac{1}{2}S\frac{1}{2}$;

Section 36: $NW\frac{1}{4}NW\frac{1}{4}$, less Railroad right-of-way; all of $NE\frac{1}{4}NW\frac{1}{4}$ and $N\frac{1}{2}NE\frac{1}{4}$ lying North of Union Pacific Railroad right-of-way.

Township 5 South, Range 16, East of the Boise Meridian, Gooding County, Idaho.

Section 30: Lot 4; $SE\frac{1}{4}SW\frac{1}{4}$

Parcel No. 2:

Township 5 South, Range 15, East of the Boise Meridian, Gooding County, Idaho.

Section 36: $NE\frac{1}{4}SE\frac{1}{4}$
East 35.5 acres of $SW\frac{1}{4}NE\frac{1}{4}$;
East 35.5 acres of $NW\frac{1}{4}SE\frac{1}{4}$;

Township 5 South, Range 16, East of the Boise Meridian, Gooding County, Idaho.

Section 31: $S\frac{1}{2}NE\frac{1}{4}$; $SE\frac{1}{4}NW\frac{1}{4}$; $NE\frac{1}{4}SW\frac{1}{4}$; $N\frac{1}{2}SE\frac{1}{4}$; Lots 2 and 3 EXCEPTING THEREFROM the South 330 feet of the East 660 feet of Lot 3 and EXCEPTING the West 50 feet of the South 330 feet of the $NE\frac{1}{4}SW\frac{1}{4}$;

Parcel No. 3:

Township 5 South, Range 16, East of the Boise Meridian, Lincoln County, Idaho.

Section 21: $S\frac{1}{2}SE\frac{1}{4}$;

Section 22: $SW\frac{1}{4}SW\frac{1}{4}$;

Section 26: $NE\frac{1}{4}NE\frac{1}{4}$; $W\frac{1}{2}NE\frac{1}{4}$; $NW\frac{1}{4}$;

Section 27: $N\frac{1}{2}NW\frac{1}{4}$; $N\frac{1}{2}NE\frac{1}{4}$; $SE\frac{1}{4}NW\frac{1}{4}$;

Section 28: $E\frac{1}{2}NE\frac{1}{4}$; $NW\frac{1}{4}NE\frac{1}{4}$; $NE\frac{1}{4}NW\frac{1}{4}$; $SW\frac{1}{4}NW\frac{1}{4}$ and that part of the $SE\frac{1}{4}NW\frac{1}{4}$ which lies West of Little Wood River EXCEPTING THEREFROM part of the $NW\frac{1}{4}NE\frac{1}{4}$ and $E\frac{1}{2}NW\frac{1}{4}$ of Section 28, described as follows:

The area 240 feet wide with a centerline described as follows:

Beginning at a point South 51°17'59" West, 178.05 feet from the Northeast corner of Section 28 which is South 90°00'00" East, 5257.80 feet of the Northwest corner of Section 28;

Thence North 50°17'33" West, 450.00 feet;
Thence North 80°31'02" West, 350.00 feet;
Thence South 61°12'51" West, 400.00 feet;
Thence South 43°17'23" West, 900.00 feet;
Thence South 52°46'31" West, 600.00 feet;
Thence South 32°53'00" West, 100.00 feet;
Thence South 17°04'31" West, 300.00 feet;
Thence South 04°22'32" East, 300.00 feet, more or less, to where the 240 foot easement intersects the South boundary of the NW¼
Except that part of the NW¼NW¼SW¼NE¼ which encroaches on the above tract.

EXCEPT AREAS AROUND HOMES DESCRIBED AS FOLLOWS:

West Parcel:

A parcel of land located in the NW¼SE¼ of Section 36, Township 5 South, Range 15 East, Boise Meridian, Gooding County, Idaho and more particularly described as follows:

Commencing at the Southwest corner of said Section 36, from which the West one-quarter (W¼) corner of said section 36 bears N00°00'00"E, 2641.08 feet, Thence N00°00'00"E along the West boundary of the SW¼SW¼ of said Section 36 for a distance of 1320.54 feet to the Southwest corner of the NW¼SW¼ of said Section 36 which is also the center of the Old State Highway #46, Thence S89°53'50"E along the center of Old State Highway #46 for a distance of 2788.50 feet to the True Point of Beginning:

Thence N00°05'06"E for a distance of 253.00 feet;

Thence S89°53'50"E parallel with the center of the Old State Highway #46 for a distance of 297.00 feet;

Thence S00°05'06"W for a distance of 253.00 feet to the center of Old State Highway #46;

Thence N89°53'50"W along the center of Old State Highway #46 for a distance of 297.00 feet to the True Point of Beginning.

EXCEPT:

The South 25.0 feet of the before described parcel which is reserved and being used for County Road purposes.

Containing 1.55 acres, more or less

East Parcel:

A parcel of land located in the NW¼SE¼ of Section 36, Township 5 South, Range 15 East, Boise Meridian, Gooding County, Idaho and more particularly described as follows:

Commencing at the Southwest corner of said Section 36, from which the West One-Quarter (W¼) corner of said Section 36 bears N00°00'00"E 2641.08 feet, Thence N00°00'00"E along the West boundary of the SW¼SW¼ of said Section 36 for a distance of 1320.54 feet to the Southwest corner of the NW¼SW¼ of said Section 36 which is also the center of the Old State Highway #46, Thence S89°53'50"E along the center of Old State Highway #46 for a distance of 3085.50 feet to the True Point of Beginning:

Thence S89°05'06"E for a distance of 253.00 feet;

Thence S89°53'50"E parallel with the center of the Old State Highway #46 for a distance of 523.00 feet;

Thence S00°05'06"W for a distance of 253.00 feet to the center of Old State Highway #46;

Thence N89°53'50"W along the center of Old State Highway #46 for a distance of 523.00 feet to the True Point of Beginning.

EXCEPT:

The South 25.0 feet of the before described parcel which is reserved and being used for County Road purposes.

Containing 3.04 acres, more or less

Attn. Jim O'Brien

Page 1

Transfer No. 71639
Receipt No. _____

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**

1. Applicant Information BILL ARKOOSH
2005 US HWY 26
GOODING ID 83330
(208)539-5443
And

KAREN A ARKOOSH
2005 US HWY 26
GOODING ID 83330
(208)934-5387

RECEIVED

DEC 20 2004

Department of Water Resources
Southern Region

Will this transfer result in an ownership change? _____ Yes ☒ No

2. Current Water Right

	Origin/Basis	Rate	Volume	Acre Limit	Part 2 Attached for Each Right	
					Total Acres	Source
37-59M	AJC/Decreed	2.30			245.0	BIG WOOD RIVER
37-327	AJC/Decreed	2.20			245.0	LITTLE WOOD RIVER
37-329	AJC/Decreed	2.00			246.3	LITTLE WOOD RIVER

3. Purpose of Transfer (Change Proposed)

Right	Split	POD	POU	Part 3A Attached for Each Proposed Right		
				Add POD	Period of Use	Nature of Use
37-59M	NO	NO	YES	YES	NO	NO
37-327	NO	NO	YES	YES	NO	NO
37-329	NO	NO	YES	YES	NO	NO

Describe the reason for the proposed changes

Transfer filed to add a new point of diversion and to shift acres within the place of use to accommodate the installation of a new pivot sprinkler.

4. FOR CHANGES IN NATURE OF USE ONLY

A. Describe the expected quantity of the return flows and location of discharge after the proposed change

B. Describe the effects on other water uses resulting from the proposed change

Page 2

5. Total Amounts Transferred

	Rate	Acre Limit	Total Acres	Volume
37-59M	2.30 cfs		245.0	
37-327	2.20 cfs		245.0	
37-329	2.00 cfs		245.0	
TOTAL	6.50 cfs	245.0	245.0	

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Transfer No. 71639

Receipt No. _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in voiding its approval.

(Signature of Applicant)

(Title or Office)

Subscribed and sworn to before me this _____ day of _____, 20____.

(Notary Public)

My commission expires _____

Page 4

Transfer No. 71639

Receipt No. _____

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2**

Current Water Right No. 37-59M

Priority Date: May 27, 1899
Origin: Adjudication Recommendation
Basis: Decreed
Status: Active

RECEIVED

DEC 20 2004

Department of Water Resources
Southern Region

Source: BIG WOOD RIVER

Tributary: MALAD RIVER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	2.30 CFS		
	Total Diversion	2.30 CFS		

Source and Point(s) of Diversion:

BIG WOOD RIVER	SENE	Sec. 30 Twp 02S Rge 18E LINCOLN County
BIG WOOD RIVER (Injection)	NENE	Sec. 19 Twp 03S Rge 19E LINCOLN County
BIG WOOD RIVER (Injection)	NWSE	Sec. 25 Twp 04S Rge 19E LINCOLN County
BIG WOOD RIVER (Rediversion)	NENE	Sec. 26 Twp 05S Rge 16E LINCOLN County
BIG WOOD RIVER (Rediversion)	NWNE	Sec. 26 Twp 05S Rge 16E LINCOLN County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S 16E 21															5.0	24.0	29.0
05S 16E 22											8.0	5.5			1.0	1.5	16.0
05S 16E 23											8.0	1.5					9.5
05S 16E 26	12.0	9.0	14.0		17.0	31.0	5.5	4.5									93.0
05S 16E 27	11.0	14.0			24.0	32.0											81.0
05S 16E 28	16.0			.5													16.5

Total Acres: 245

Conditions/Remarks:

Page 5

1. This right is subject to a 27% conveyance loss; 1.68 cfs may be reddiverted from the Little Wood River.
2. Point of injection into the Jim Byrns Slough that flows into the Little Wood River. Point of rediversion from the Little Wood River.
3. RIGHT NOS. 37-59M, 37-327 AND 37-329 ARE LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 245 ACRES IN A SINGLE IRRIGATION SEASON.
4. RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.
5. 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.
6. WATER IS DELIVERED THROUGH THE RICHFIELD CANAL AND THE HUNTER DITCHES.
7. USE OF THIS RIGHT IS COMBINED WITH WATER FROM AMERICAN FALLS RESERVOIR DIST. NO. 2.

Documentation of Ownership of the Current Place of Use

IDWR RECORDS

Is this property subject to any liens, deeds of trust, mortgages, or contracts or other encumbrances?
YES

Describe the effect on the current place of use for this water right if the place of use is changed pursuant to this transfer

land will no longer be irrigated

To your knowledge, has any portion of the water right undergone a period of five(5) or more consecutive years of non-use?

NO

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Transfer No. 71639

Receipt No. _____

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2**

Current Water Right No. 37-327

RECEIVED

DEC 20 2004

Priority Date: May 15, 1884

Origin: Adjudication Recommendation

Basis: Decreed

Status: Active

Department of Water Resources
Southern Region

Source: LITTLE WOOD RIVER

Tributary: MALAD RIVER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	2.20 CFS		
	Total Diversion	2.20 CFS		

Source and Point(s) of Diversion:

LITTLE WOOD RIVER NENE Sec. 26 Twp 05S Rge 16E LINCOLN County

LITTLE WOOD RIVER NWNE Sec. 26 Twp 05S Rge 16E LINCOLN County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S 18E 21															5.0	24.0	29.0
05S 16E 22									8.0	5.5					1.0	1.5	16.0
05S 16E 23									8.0	1.5							9.5
05S 16E 26	12.0	9.0	14.0		17.0	31.0	5.5	4.5									93.0
05S 16E 27	11.0	14.0			24.0	32.0											81.0
05S 16E 28	16.0			.5													16.5

Total Acres: 245

Conditions/Remarks:

- RIGHT NOS. 37-59M, 37-327 AND 37-329 ARE LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 245 ACRES IN A SINGLE IRRIGATION SEASON.
- RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.

Page 7

3. 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.
4. WATER IS DELIVERED THROUGH THE HUNTER DITCHES.
5. USE OF THIS RIGHT IS COMBINED WITH WATER FROM AMERICAN FALLS RESERVOIR DIST. NO. 2.

Documentation of Ownership of the Current Place of Use

IDWR RECORDS

Is this property subject to any liens, deeds of trust, mortgages, or contracts or other encumbrances?
YES

Describe the effect on the current place of use for this water right if the place of use is changed pursuant to this transfer

land will no longer be irrigated

To your knowledge, has any portion of the water right undergone a period of five(5) or more consecutive years of non-use?

NO

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Transfer No. 71639

Receipt No. _____

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 2**

Current Water Right No. 37-329

RECEIVED

DEC 20 2004

Department of Water Resources
Southern Region

Priority Date: May 15, 1886
Origin: Adjudication Recommendation
Basis: Decreed
Status: Active

Source: LITTLE WOOD RIVER Tributary: MALAD RIVER

Beneficial Use	From To	Diversion Rate	Volume	Subuse Code
IRRIGATION	03/15 11/15	2.00 CFS		
	Total Diversion	2.00 CFS		

Source and Point(s) of Diversion:

LITTLE WOOD RIVER NENE Sec. 26 Twp 05S Rge 16E LINCOLN County

LITTLE WOOD RIVER NWNE Sec. 26 Twp 05S Rge 16E LINCOLN County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S 16E 21															4.9	24.0	28.9
05S 16E 22									8.3	5.6					1.0	1.5	16.4
05S 16E 23									8.3	1.8							10.1
05S 16E 26	12.0	8.9	14.0		17.0	31.0	5.7	4.8									93.4
05S 16E 27	11.0	14.0			24.0	32.0											81.0
05S 16E 28	16.0			.5													16.5

Total Acres: 246.3

Conditions/Remarks:

- RIGHT NOS. 37-59M, 37-327 AND 37-329 ARE LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 245 ACRES IN A SINGLE IRRIGATION SEASON.
- RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.

Page 9

3. 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.
4. WATER IS DELIVERED THROUGH THE HUNTER DITCHES.
5. USE OF THIS RIGHT IS COMBINED WITH WATER FROM AMERICAN FALLS RESERVOIR DIST. NO. 2.

Documentation of Ownership of the Current Place of Use

IDWR RECORDS

Is this property subject to any liens, deeds of trust, mortgages, or contracts or other encumbrances?
YES

Describe the effect on the current place of use for this water right if the place of use is changed pursuant to this transfer

land will no longer be irrigated

To your knowledge, has any portion of the water right undergone a period of five(5) or more consecutive years of non-use?

NO

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Transfer No. 71639
Receipt No. _____IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3A

Proposed Water Right No. 37-59M

Priority Date: May 27, 1899
Origin: Adjudication
Recommendation
Basis: Decreed
Status: ActiveRECEIVED
DEC 20 2004Department of Water Resources
Southern Region

Source: BIG WOOD RIVER

Tributary: MALAD RIVER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	2.30 CFS		
	Total Diversion	2.30 CFS		

Source and Point(s) of Diversion:

BIG WOOD RIVER	SENE	Sec. 30 Twp 02S	Rge 18E	LINCOLN County
BIG WOOD RIVER (Injection)	NENE	Sec. 19 Twp 03S	Rge 19E	LINCOLN County
BIG WOOD RIVER (Injection)	NWSE	Sec. 25 Twp 04S	Rge 19E	LINCOLN County
BIG WOOD RIVER (Rediversion)	NENE	Sec. 26 Twp 05S	Rge 16E	LINCOLN County
BIG WOOD RIVER (Rediversion)	NWNE	Sec. 26 Twp 05S	Rge 16E	LINCOLN County
BIG WOOD RIVER (Rediversion)	NENW	Sec. 27 Twp 05S	Rge 16E	LINCOLN County

Describe the proposed diversion system

Point of Diversion # 1 new rediversion pump

6

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PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S 16E 21																15.0	15.0
05S 16E 22									8.8	5.9			1.0	1.5			17.2
05S 16E 23									8.3	1.8							10.1
05S 16E 26	12.0	7.7	14.0		17.0	31.0	5.7	4.8									92.2
05S 16E 27	11.0	14.0			24.0	40.0	1.5										90.5
05S 16E 28	20.0																20.0

Total Acres: 245

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Transfer No. 71639

Receipt No. _____

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3A**

Proposed Water Right No. 37-327

Priority Date: May 15, 1884

Origin: Adjudication
Recommendation

Basis: Decreed

Status: Active

Source: LITTLE WOOD RIVER**Tributary: MALAD RIVER**

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	2.20 CFS		
	Total Diversion	2.20 CFS		

Source and Point(s) of Diversion:

LITTLE WOOD RIVER	NENE	Sec. 26 Twp 05S	Rge 16E	LINCOLN County
LITTLE WOOD RIVER	NWNE	Sec. 26 Twp 05S	Rge 16E	LINCOLN County
LITTLE WOOD RIVER	NENW	Sec. 27 Twp 05S	Rge 16E	LINCOLN County

Describe the proposed diversion system

Point of Diversion # 1 new pump

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S 16E 21																	15.0
05S 16E 22											8.8	5.9			1.0	1.5	17.2
05S 16E 23											8.3	1.8					10.1
05S 16E 26	12.0	7.7	14.0		17.0	31.0	5.7	4.8									92.2
05S 16E 27	11.0	14.0			24.0	40.0	1.5										90.5
05S 16E 28	20.0																20.0

Total Acres: 245

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Transfer No. 71639

Receipt No. _____

**IDAHO DEPARTMENT OF WATER RESOURCES
APPLICATION FOR TRANSFER OF WATER RIGHT
PART 3A**

Proposed Water Right No. 37-329

Priority Date: May 15, 1886

Origin: Adjudication
Recommendation

Basis: Decreed

Status: Active

RECEIVED
DEC 20 2004
Department of Water Resources
Southern Region

Source: LITTLE WOOD RIVER

Tributary: MALAD RIVER

<u>Beneficial Use</u>	<u>From To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15 11/15	2.00 CFS		
	Total Diversion	2.00 CFS		

Source and Point(s) of Diversion:

LITTLE WOOD RIVER	NENE	Sec. 26 Twp 05S Rge 16E LINCOLN County
LITTLE WOOD RIVER	NWNE	Sec. 26 Twp 05S Rge 16E LINCOLN County
LITTLE WOOD RIVER	NENW	Sec. 27 Twp 05S Rge 16E LINCOLN County

Describe the proposed diversion system

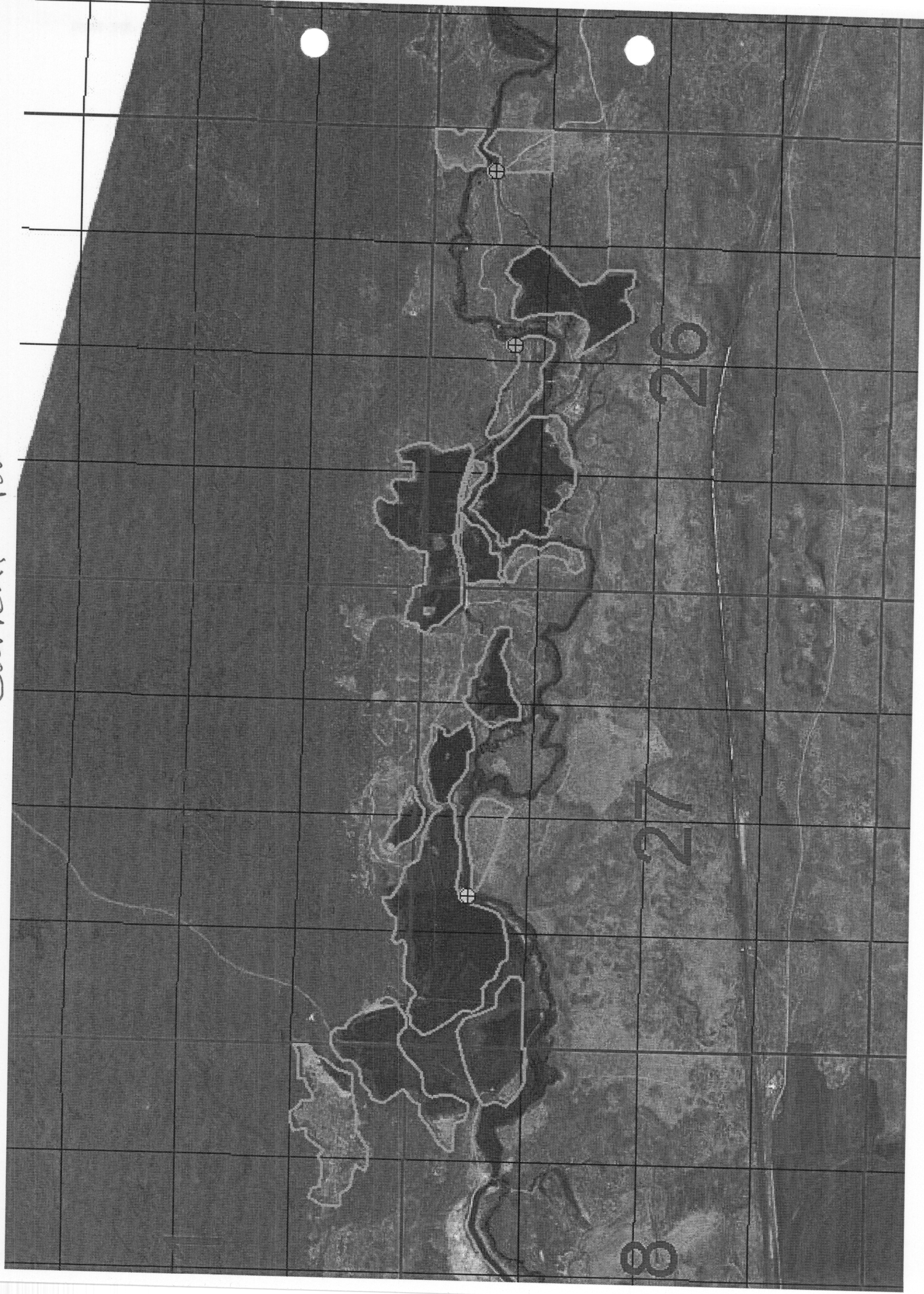
Point of Diversion # 1 new pump

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05S 16E 21																	15.0
05S 16E 22											8.8	5.9			1.0	1.5	17.2
05S 16E 23											8.3	1.8					10.1
05S 16E 26	12.0	7.7	14.0		17.0	31.0	5.7	4.8									92.2
05S 16E 27	11.0	14.0			24.0	40.0	1.5										90.5
05S 16E 28	20.0																20.0

Total Acres: 245

Current position



80

27

26

Proposed POW



26

27

G-003673

Filed for and Return to:
National AGRIMORTGAGE Funding
Attn: Manager, Mortgage Funding
3636 American River Drive 95864
P.O. Box 15558
Sacramento, CA 95852-0558

60188

STATE OF IDAHO COUNTY OF LINCOLN Recorded at the request of <i>First American Title</i>
DEC - 7 1995
at <i>56</i> minutes past <i>4 P.</i> M. recorded by <i>Helen Jackson Dep.</i> Fee: <i>15.00</i> Return to: <i>Above</i> <i>By hand.</i>

MORTGAGE

For value received the undersigned WILLIAM F. ARKOOSH and KAREN A. ARKOOSH, husband and wife ("Mortgagor"), mortgages to NORTH CASCADES NATIONAL BANK, a national banking association, and its successors and assigns (the "Mortgagee") the following described property situated in the County of Lincoln, Idaho (the "property"), to wit:

Township 5 South, Range 16 East of the Boise Meridian, Lincoln County, Idaho

- Section 21: South half of the Southeast quarter
- Section 22: Southwest quarter of the Southwest quarter
- Section 26: Northeast quarter of the Northeast quarter, West half of the Northeast quarter, Northwest quarter
- Section 27: North half of the Northwest quarter, North half of the Northeast quarter, Southeast quarter of the Northwest quarter

Township 5 South, Range 16 East of the Boise Meridian, Lincoln County, Idaho

- Section 28: East half of the Northeast quarter, Northwest quarter of the Northeast quarter, Northeast quarter of the Northwest quarter, Southwest quarter of the Northwest quarter and the part of the Southeast quarter of the Northwest quarter which lies West of Little Wood River

EXCEPTING THEREFROM part of the Northwest quarter of the Northeast quarter and the East half of the Northwest quarter of Section 28, described as follows:

The area 240.00 feet wide with a centerline described as follows:

BEGINNING at a point South 51°17'59" West, 1,782.05 feet from the Northeast corner of Section 28 which is South 90°00'00" East, 5,257.80 feet of the Northwest corner of Section 28;
Thence North 50°17'33" West, 450.00 feet;
Thence North 80°31'02" West, 350.00 feet;
Thence South 61°12'51" West, 400.00 feet;
Thence South 43°17'23" West, 900.00 feet;
Thence South 52°46'31" West, 600.00 feet;
Thence South 32°53'00" West, 100.00 feet;
Thence South 17°04'31" West, 300.00 feet;
Thence South 04°22'32" East, 300.00 feet, more or less, to where the 240.00 foot easement intersects the South boundary of the Northwest quarter;
EXCEPT that part of the Northwest quarter of the Northwest quarter of the Southwest quarter of the Northeast quarter which encroaches on the above tract.

ORIGINAL DOCUMENT
IN COLLATERAL FILE

together with all interest and estate in such property that Mortgagor may hereafter acquire and together with all tenements, hereditaments, improvements, fixtures, and appurtenances, now or hereafter belonging or in anyway appertaining to the property, royalties, mineral, oil and gas rights and profits, water and water rights appertaining to or associated with the property, and all replacements and additions thereto, and the rents, issues and profits thereof, and Mortgagor hereby grants a security interest to Mortgagee in such tenements, hereditaments, appurtenances, rents, issues, profits, improvements, fixtures and other property and property rights.

Secured Obligations. This Mortgage is for the purpose of securing performance of each agreement of Mortgagor herein contained, and payment of the sum of Seven Hundred Fifty-Two Thousand Five Hundred (\$752,500.00), with interest from the date Lender disburses principal in accordance with the terms of a Promissory Note of even date herewith payable to Mortgagee or order, and made by Mortgagor, and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced in the future by Mortgagee to Mortgagor, or any of their successors or assigns, whether pursuant to the Promissory Note or any other note or agreement, together with interest thereon at such rate as shall be agreed on. The final maturity date of the Promissory Note is October 1, 2011.

Mortgagor Commitments. To protect the security of this Mortgage, Mortgagor represents, warrants and agrees as follows:

Ownership. That Mortgagor owns the mortgaged property in fee simple, unless otherwise specifically set forth above; that Mortgagor has a lawful right to mortgage the property and that the property is free of adverse claims, encumbrances, limitations, liens and charges of any type whatsoever except as specifically set forth below:

Repair; Waste; No Illegal Use. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure, or improvement being built or about to be built thereon within two years after the beginning of construction; to restore promptly any building, structure, or improvement on the property that may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

Taxes; Assessments; Encumbrances. To pay before delinquent all lawful taxes and assessments on the property; and to keep the property free and clear of all other charges, liens, or encumbrances impairing the security of this Mortgage.

Insurance. To keep all improvements now existing or hereafter erected on the property described herein insured against loss by fire or other hazards with a fire and extended coverage policy, as may be designated by Mortgagee in an amount not less than the full insurable value up to at least the total debt secured by this Mortgage, and to name Mortgagee as loss payee on any such policy.

All policies shall include a standard mortgagee clause. Mortgagor shall provide proof of payment of insurance to Mortgagee not later than five (5) days prior to the expiration of the policy renewed. Mortgagor shall provide Mortgagee with a certificate of insurance providing that no insurance called for under this Mortgage may be cancelled without at least thirty (30) days prior written notice to Mortgagee.

Unless Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the property damaged, provided such restoration, or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to the Mortgagor.

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the next payment or change the amount of such payment.

Attorney Fees. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, and to pay all expenses, including cost of title search and attorney's fees in a reasonable amount in any such action or proceedings, and should Mortgagee retain the services of an attorney to enforce this Mortgage, or if suit is brought by Mortgagee to foreclose this Mortgage, to pay all costs and reasonable attorney's fees incurred by Mortgagee.

Reimbursement of Other Expenses. Mortgagor agrees to reimburse Mortgagee upon demand for any expenses incurred by Mortgagee in exercising any of its rights under this agreement, or taking any steps reasonable and necessary to protect the collateral and the property, which expenses shall be added to and be part of the debt secured by this Mortgage.

Cure by Mortgagee. Should Mortgagor fail to pay when due, any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property hereinabove described, Mortgagee may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added hereto and become a part of the debt secured in this Mortgage, and shall be due and payable at the same time as the next payment on the Note secured by this Mortgage.

Protect Mortgage. To protect and defend the interest of Mortgagee and the mortgaged property against adverse claims of any nature whatsoever.

Inspection. To permit the inspection by Mortgagee of the mortgaged property at any time and as often as Mortgagee may desire.

Recovery of Costs and Fees. To pay, if any obligation secured by this Mortgage is referred to an attorney for collection in whole or in part, a reasonable attorneys' fee, whether or not suit is instituted on such obligation, and to pay all other expenses incurred by Mortgagee in such collection or in realization upon this Mortgage, including but not limited to expenses of title search.

Release of Property. That Mortgagee may at any time, without notice, release parts or all of the mortgaged property from the lien of this Mortgage without thereby effecting the personal liability of any person whomsoever for the payment of any obligation secured by this Mortgage.

No Transfer or Assignment. Not to Assign or Transfer any right, title or interest of the Mortgagor in any of the rents or profits of the mortgaged premises, or in the property itself, without the prior written consent of the Mortgagee.

Payments by Mortgagee. If the real property described herein is subject to an existing contract, mortgage, or any other obligation, which Mortgagee is to pay, Mortgagee agrees to make such payments in accordance with the terms thereof and upon default the Mortgagor shall have the right to make any payments necessary to remove the defect and any payments so made shall be applied to the payments next falling due the Beneficiary under the Note secured by this Mortgage.

Hazards; Taking or Destruction of Property. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Mortgagee to be applied to the obligation.

Default and Remedies. On default by Mortgagor in the payment of any indebtedness or other amounts secured hereby or in the performance of any agreement contained herein, in the Promissory Note secured hereby, or in any other agreement executed by the Mortgagor to secure the Promissory Note referred to above, or in the event Mortgagee deems itself to be insecure, all sums secured by this Mortgage shall immediately become due and payable without notice, at the option of the Mortgagee.

Representation, Warranties and Indemnity Regarding Hazardous Substances.

Mortgagor hereby represents, warrants and certifies to Lender and agrees as follows: Mortgagor has duly investigated the present and past uses of the property and has made due inquiry as to whether the property or any property in the immediate vicinity has been or is the site of storage or contamination by any hazardous substances. Upon Mortgagee's request, Mortgagor will provide Mortgagee with a summary of its investigations and copies of all inquiries and responses.

Mortgagor represents that as of the date of execution of this Mortgage it has no knowledge, after due investigation, of any failure to comply with applicable Local, State and Federal environmental laws, regulations, ordinances and administrative or judicial orders relating to the generation, recycling, reuse, sale, storage, handling, transport and disposal of any hazardous substances, on or involved in or associated with the use of the property.

Borrower has no knowledge, after due investigation, of the presence of any hazardous substances or toxic substances or hazardous or toxic emissions, or of any spills, releases, discharge or disposal of any hazardous substances that have occurred or are presently occurring on the property.

For purposes of this agreement, "hazardous substances", "toxic substances" or "hazardous" or "toxic" emissions shall mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous, toxic or radioactive substance or other similar term by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, and shall include petroleum or petroleum based products.

Mortgagor agrees to immediately notify Mortgagee if Mortgagor becomes aware of any hazardous substance or other environmental problem related to the property.

At its own cost, Mortgagor will take all actions which are necessary or desirable to clean up any hazardous substances effecting the property including removal, containment or other remedial action.

Mortgagor shall and hereby agrees to indemnify and hold Mortgagee harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and costs and expenses (including attorneys' fees and disbursements) which accrue to or are incurred by Lender on or after transfer of the property, pursuant to foreclosure proceedings or in lieu thereof, and arise directly or indirectly from or out of, or in any way connected with (a) the inaccuracy of the certifications contained herein, (b) any activities on the Property during Mortgagor's ownership, possession or control of the property which directly or indirectly result in the property or any other property becoming contaminated with hazardous substances, (c) the discovery of hazardous substances on the property or any other property and (d) the clean-up after such a transfer of hazardous substances from the property or any other property. Mortgagor acknowledges that it will be solely responsible for all costs and expenses relating to the clean-up of hazardous substances from the property or from any other property.

Time of Essence; Remedies; Deficiency Judgment. That time is of the essence of this Mortgage and of every obligation secured by it, that all rights and remedies conferred by this Mortgage upon Mortgagee are cumulative and are not exclusive of any other rights or remedies or powers which Mortgagee may have by law or by contract; that Mortgagee may take a personal deficiency judgment for the debts and obligations secured hereby so that said debts and obligations may be paid in full irrespective of this security. Mortgagor agrees that Mortgagee is not obligated to proceed to collect on the security before proceeding to collect personally from the Mortgagor.

Zoning and Use. Mortgagor represents that the property is in compliance with applicable zoning and use rules and regulations and that such rules and regulations allow

the use of the property for the purposes contemplated and as represented by Mortgagor to Mortgagee.

Unenforceable Provision. Mortgagor agrees that if any provision, clause or portion of this Mortgage is judged unlawful or unenforceable for any reason, the provision or clause so judged shall be deemed stricken and the balance of the Mortgage shall be unaffected thereby and shall remain in full force and effect.

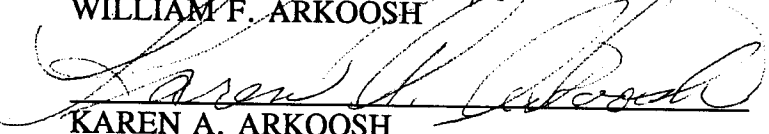
Due on Sale. If all or any part of the property described herein or an interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable.

Benefit and Burden. This Mortgage applies to, inures to the benefit of and is binding not only on the parties hereto, but on their heirs, successors and assigns. The term "Mortgagee" shall mean the holder and owner of the Note secured hereby, whether or not named as Mortgagee herein.

DATED effective the 28th day of November, 1995.

MORTGAGOR:

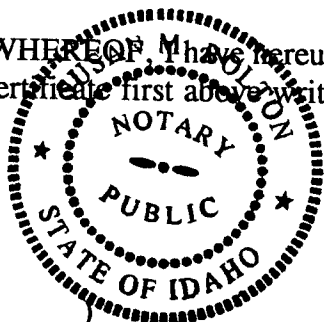

WILLIAM F. ARKOOSH


KAREN A. ARKOOSH

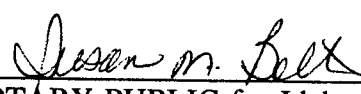
STATE OF IDAHO)
)ss.
County of Gooding)

On the 6th day of December, 1995, before me, the undersigned, a notary public in and for said State, personally appeared WILLIAM F. ARKOOSH, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

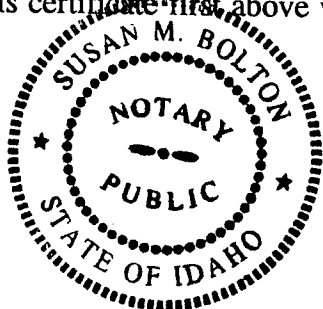


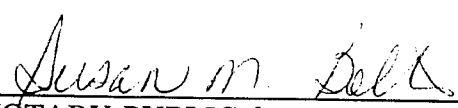
STATE OF IDAHO)
)ss.
County of Gooding)


NOTARY PUBLIC for Idaho
Residing at: Gooding, ID
My Commission expires 10/16/98

On the 6th day of December, 1995, before me, the undersigned, a notary public in and for said State, personally appeared KAREN A. ARKOOSH, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

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




NOTARY PUBLIC for Idaho
Residing at: Gooding, ID
My Commission expires 10/16/98

Filed for and Return to:
National AGRIMORTGAGE Funding
Attn: Manager, Mortgage Funding
3636 American River Drive 95864
P.O. Box 15558
Sacramento, CA 95852-0558

160699

STATE OF IDAHO
COUNTY OF LINCOLN
Recorded at the request of
First American Title

APR 12 1996

at 12 minutes past 3:15 P. M.
recorded by Nelson Jackson, Dep.
Fee: 6.00 Return to: Above

By hand.

AMENDMENT TO MORTGAGE

THIS AMENDMENT TO MORTGAGE ("Amendment") is made and entered into this date by and between WILLIAM F. ARKOOSH and KAREN A. ARKOOSH, husband and wife ("Mortgagor"), and NORTH CASCADES NATIONAL BANK, a national banking association, and its successors and assigns (the "Mortgagee"), as an amendment to the Mortgage dated November 28, 1995, and recorded on December 7, 1995, under Lincoln County Recording No. 160188, records of Lincoln County, Idaho (the "Mortgage"). The Mortgage is amended and modified as set forth below:

1. The last sentence of the paragraph labeled Secured Obligations is hereby amended to read as follows:

The final maturity date of the Promissory Note is April 1, 2011.

2. All provisions of the Mortgage are restated and incorporated herein by this reference, except to the extent modified or amended by this Amendment.

3. The Mortgage and this Amendment shall be in full force and effect from the date of the Mortgage.

DATED this 5th day of March, 1996

MORTGAGER

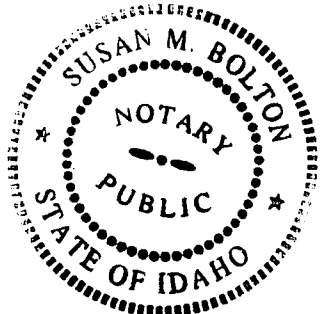
William F. Arkoosh
WILLIAM F. ARKOOSH

Karen A. Arkoosh
KAREN A. ARKOOSH

STATE OF IDAHO)
County of Gooding) ss.

On the 5th day of March, 1996, before me, the undersigned, a notary public in and for said State, personally appeared WILLIAM F. ARKOOSH, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

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

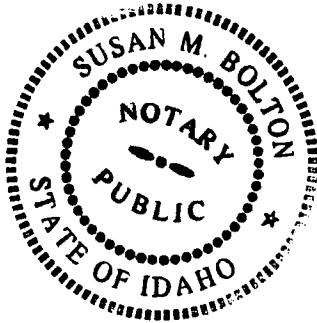


Susan M. Bolton
NOTARY PUBLIC for Idaho
My Commission expires 10-16-98
Residing at: Gooding, ID

STATE OF IDAHO)
County of Gooding) ss.
)

On the 5 day of March, 1996, before me, the undersigned, a notary public in and for said State, personally appeared KAREN A. ARKOOSH, known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

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



Susan M. Bolton
NOTARY PUBLIC for Idaho
My Commission expires 10-16-98
Residing at: Gooding, ID