

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

- PD 1. Water Right No(s): 29-7806
- Adjudication Claim No(s): James W. Baker and Diane R. Baker
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 BANK

102 WEST MAIN

BURLEY, ID 83318

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

JAMES W. BAKER

5. Expiration Date of Notification Period

09-20-2011

6. Is this a Renewal of Request for Notification?

YES

NO

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

J Baker

Diane R Baker

ZIONS BANK

BY: [Signature]

For Office Use Only

Received by [Signature]

Date 12/1/06

Fee 25.00

Received by [Signature]

Date 12/6/06

Receipt No. 5024090

Processed by [Signature]

AJ Date

WR

Date

RECORDATION REQUESTED BY:

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ZIONS FIRST NATIONAL BANK
BURLEY OFFICE
102 WEST MAIN
BURLEY, ID 83318

WHEN RECORDED MAIL TO:

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

Instrument # 190264

POWER COUNTY, IDAHO

2006-10-03 03:38:31 No. of Pages: 10

Recorded for: FIRST AMERICAN TITLE

CHRISTINE STEINLICH

Ex-Officio Recorder Deputy

RECEIVED
NOV 30 2006
DEPT. OF WATER RESOURCES
SOUTHERN REGION

Linda Anne

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



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DEED OF TRUST

THIS DEED OF TRUST is dated September 20, 2006, among JAMES W. BAKER and DIANE R. BAKER, also shown of record as DIANE BAKER, husband and wife ("Grantor"); ZIONS FIRST NATIONAL BANK, whose address is BURLEY OFFICE, 102 WEST MAIN, BURLEY, ID 83318 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and FIRST AMERICAN TITLE COMPANY, whose address is 2240 EAST CENTER, POCA TELLO, ID 83201 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor does hereby irrevocably grant, bargain, sell and convey in trust, with power of sale, to Trustee for the benefit of Lender as Beneficiary, 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 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 POWER County, State of Idaho:

PARCEL 1:

A PARCEL OF LAND IN THE NE1/4NW1/4 OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 32 E.B.M., POWER COUNTY, IDAHO, DESCRIBED AS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SAID NE1/4NW1/4 WITH THE NORTHWESTERLY RIGHT-OF-WAY OF THE FRONTAGE ROAD ALONG INTERSTATE 86 AND FROM WHICH A HIGHWAY MONUMENT 240 FEET LEFT OF CENTERLINE STATION 140+00, BEARS SOUTH 65° 31'35" WEST 377.59 FEET; THENCE NORTH 65° 31'35" EAST, ALONG SAID RIGHT-OF-WAY 556.53 FEET; THENCE NORTH 26° 48'49" WEST 209.87 FEET; THENCE SOUTH 65° 31'35" WEST 451.29 FEET TO THE WEST LINE OF SAID NE1/4NW1/4; THENCE SOUTH 0° 16'35" WEST 230.90 FEET, TO THE POINT OF BEGINNING.

PARCEL 2:

PART OF THE NW1/4 OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 33 E.B.M., POWER COUNTY, IDAHO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE W1/4 CORNER OF SECTION 20; THENCE S. 90 DEG 00'00" E. 1755.31 FEET ALONG THE EAST-WEST CENTER SECTION LINE; THENCE N. 0 DEG 00'00" E. 1210.90 FEET TO THE POINT OF BEGINNING; SAID POINT OF BEGINNING ALSO BEING THE NW CORNER OF DEED INSTRUMENT NO. 125672; THENCE S. 23° 59'13" E. 349.61 FEET ALONG SAID INSTRUMENT NO. 125672; THENCE S. 05° 39'13" E. 331.80 FEET ALONG THE WEST LINE OF INSTRUMENT NO. 125673 TO AN EXISTING FENCE LINE; THENCE ALONG SAID FENCE THE FOLLOWING FIVE (5) COURSES (1) N. 89° 04'55" W. 358.20 FEET; (2) THENCE N. 0° 50'26" W. 267.22 FEET; (3) THENCE N. 09° 06'44" E. 111.76 FEET; (4) THENCE N. 24° 40'03" E. 93.28 FEET; (5) THENCE N. 30° 38'34" E. 124.77 FEET; THENCE LEAVING SAID FENCE N. 42° 05'39" E. 100.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

TOWNSHIP 6 SOUTH, RANGE 33 E.B.M., POWER COUNTY, IDAHO, SECTION 20: A PORTION OF THE NW1/4 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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BEGINNING AT A POINT THAT IS 590.95 FEET EAST OF THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 33 E.B.M., POWER COUNTY, IDAHO; THENCE CONTINUING EAST ALONG THE QUARTER SECTION LINE 2,044.95 FEET, MORE OR LESS, TO THE CENTER OF SECTION 20; THENCE NORTH 1,489.50 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY; THENCE SOUTH 72° 27' WEST 913.68 FEET ALONG SAID RIGHT-OF-WAY; THENCE SOUTH 23° 24' EAST 349.61 FEET; THENCE SOUTH 5° 4' EAST 697.12 FEET; THENCE SOUTH 53° 40' WEST 273.5 FEET; THENCE NORTH 88° 22' WEST 1,170.3 FEET TO THE EAST LINE OF THE ARBON VALLEY HIGHWAY RIGHT-OF-WAY; THENCE SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY 56.89 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

LESS THE FOLLOWING DESCRIBED TRACT REFERRED TO AS TAX 242 BEING A PART OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 6 SOUTH, RANGE 33 EAST, BOISE MERIDIAN, POWER COUNTY, IDAHO, DESCRIBED AS: COMMENCING AT THE WEST QUARTER CORNER OF SECTION 20; THENCE SOUTH 90° 00'00" EAST, 1,841.30 FEET ALONG THE EASTWEST CENTER OF SECTION 20 TO THE POINT OF BEGINNING; THENCE NORTH 0° 40'21" WEST, 77.58 FEET; THENCE NORTH 53° 04'47" EAST, 41.28 FEET; THENCE NORTH 90° 00'00" EAST, 78.68 FEET; THENCE SOUTH 0°40'21" EAST, 102.38 FEET TO THE SOUTH LINE OF THE NORTHWEST QUARTER; THENCE NORTH 90° 00'00" WEST, 111.98 FEET ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.

TOGETHER WITH ANY AND ALL WATER RIGHTS, INCLUDING BUT NOT LIMITED TO WATER RIGHTS NUMBERS: 29-7806, NOW OWNED OR HEREAFTER ACQUIRED WHICH ARE APPURTENANT THERETO.

The Real Property or its address is commonly known as POWER COUNTY ALONG HIGHWAY 86 AT ARBON EXIT, SOUTH ALONG ARBON ROAD FOR 1/4 MILE THEN EAST TO SUBJECT, AMERICAN FALLS, ID 83211. The Real Property tax Identification number is PARCEL 1: RPD0204-01; PARCEL 2: RPD0340-03; PARCEL 3: RPD0339-02 & RPD0339-03.

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and 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 Borrower or 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 (also known as Beneficiary in this Deed of Trust) 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 DEED OF TRUST, 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 DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower and Grantor shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and 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. THE REAL PROPERTY EITHER IS NOT MORE THAN FORTY (40) ACRES IN AREA OR IS LOCATED WITHIN AN INCORPORATED CITY OR VILLAGE.

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

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Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Deed of Trust.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust 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 Deed of Trust 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 Deed of Trust. 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 Deed of Trust, 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 Deed of Trust 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 Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust 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 Deed of Trust and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

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 Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. 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 Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

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

Borrower. The word "Borrower" means JAMES W. BAKER, M.D.; and DIANE R. BAKER, M.D. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust 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 8901, 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 Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means JAMES W. BAKER and DIANE R. BAKER aka DIANE BAKER.

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.

Note. The word "Note" means the promissory note dated September 20, 2006, in the original principal amount of \$415,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter

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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 Deed of Trust.

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.

Trustee. The word "Trustee" means FIRST AMERICAN TITLE COMPANY, whose address is 2240 EAST CENTER, POCA TELLO, ID 83201 and any substitute or successor trustees.

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

GRANTOR:

X

JAMES W. BAKER

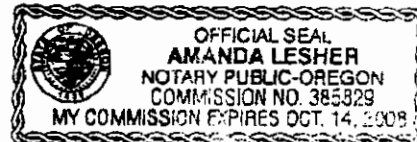
X

DIANE R. BAKER aka DIANE BAKER

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Multnomah

) SS)



On this 21 day of September, in the year 20 06, before me Amanda Leshner, a notary public in and for the State of Oregon, personally appeared JAMES W. BAKER and DIANE R. BAKER aka DIANE BAKER, known or identified to me (or proved to me on the oath of 229-21-06), to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Amanda Leshner
Notary Public for Oregon
029-21-06

Residing at Lake Oswego, ORMy commission expires Oct. 14, 2008

REQUEST FOR FULL RECONVEYANCE

(To be used only when obligations have been paid in full)

To: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: _____

Beneficiary: _____

By: _____

Its: _____