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RECEIVED

JUN 08 2012

WATER RESOURCES
WESTERN REGION

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column.

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
PD 63-3242	Yes ☐		Yes ☐		Yes ☐
LIC 63-32040	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: Edward A. Johnson and Janice M. Johnson
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): NW Bend Real Estate Holdings Ten Mile Creek, LLC, an Idaho limited liability company
Name of each new owner as listed on the conveyance document
c/o Sabal Financial L.P., Attn: Jim Stockhausen
New owner continued ☐ Name connector ☐ and ☐ or ☐ and/or
4675 MacArthur Court, Suite 1550,
Mailing address
Newport Beach CA 92660
City State ZIP
(949) 255-2682 jim.stockhausen@sabalfin.com
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: May 29, 2012

6. This form must be signed and submitted with the following **REQUIRED** items:
- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
 - Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
 - Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

7. Signature: NW Bend Real Estate Holdings Ten Mile Creek, LLC
[Signature] Authorized Signatory 6/4/12
Signature of new owner/claimant Title, if applicable Date
- Signature: _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by RS Date 6-8-12 Receipt No. W040255 Receipt Amt. 50
Approved by _____ Processed by RS Date 6-19-12

Form 42-248/42-1409(6) Rev. 07/10

DM 827427

SUPPORT DATA

IN FILE # 63-3242

ELECTRONICALLY RECORDED - DO NOT
REMOVE THE COUNTY STAMPED FIRST
PAGE AS IT IS NOW INCORPORATED AS
PART OF THE ORIGINAL DOCUMENT.

ADA COUNTY RECORDER Christopher D. Rich AMOUNT 34.00 9
BOISE IDAHO 05/29/2012 12:24 PM
DEPUTY Che Fowler
Simplifile Electronic Recording
RECORDED-REQUEST OF
PIONEER TITLE COMPANY OF ADA C 112050639

RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:
Ball Janik LLP
101 SW Main Street, Suite 1100
Portland, OR 97204
Attn: Carole E. Brock

UNTIL A CHANGE OF ADDRESS IS
REQUESTED, SEND ALL TAX STATEMENTS TO:
NW Bend Real Estate Holdings Ten Mile Creek, LLC
c/o Sabal Financial Group, L.P.
4675 MacArthur Court, Suite 1550
Newport Beach, CA 92660
Attn: Jim Stockhausen

333948 GL

BARGAIN & SALE DEED
[Non-Merger Deed in Lieu of Foreclosure]

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, EDWARD a. JOHNSON AND JANICE M. JOHNSON, husband and wife (the "Grantor"), does hereby grant, bargain, sell and convey to NW BEND REAL ESTATE HOLDINGS TEN MILE CREEK, LLC, an Idaho limited liability company ("Grantee"), whose address is c/o Sabal Financial Group, L.P., 4675 MacArthur Court, Suite 1550, Newport Beach, CA 92660, the real property and improvements located in Ada County, Idaho, commonly known as 13032 S. Pleasant Valley Road **and** S. Ten Mile Creek Road, Kuna, ID 83634, as more particularly and legally described on the attached Exhibit 1 (the "Property").

The Property is subject to the liens and encumbrances set forth on Exhibit 2. Grantor absolutely surrenders and transfers all of the Property to Grantee.

This conveyance shall include any and all appurtenances, tenements, hereditaments, reversions, remainders, easements, rights-of-way and water rights appertaining to the Property.

This Bargain & Sale Deed [Non-Merger Deed in Lieu of Foreclosure] ("Deed") is an absolute conveyance of the title to the above described Property to Grantee in effect as well as in form, and is not now intended as a mortgage, trust deed or security devise of any kind, and possession of the Property has been or will be surrendered to the Grantee.

The consideration for this Deed is the full cancellation of all debts, obligations, considerations, and charges, except for the property taxes, heretofore existing, including the full amount of the Indebtedness owed by Grantor (as Borrower) to Grantee (as Lender), pursuant to the terms of a collateral surrender, settlement, and release agreement dated and effective as of April 27, 2012, and under and by virtue of (a) that certain promissory note dated March 23, 2007, having a stated principal amount of \$5,750,000.00 ("Note"); and (b) by that certain Mortgage made by and among Edward A.

Johnson and Janice M. Johnson as the grantor, Bank of the Cascades dba Farmers & Merchants, a Bank of the Cascades Company, (the "Original Beneficiary") which Mortgage was recorded on March 26, 2007, in the official real property records of Ada County, Idaho, as instrument number 107041953 (the "Mortgage"). The Original Beneficiary assigned all of its legal and equitable right, title, and interest in and to the Mortgage to NW Bend, LLC, a Delaware limited liability company (the "Successor Beneficiary") by an Assignment of Mortgage dated December 6, 2011 to be effective September 29, 2011, and recorded on December 12, 2011, in the official real property records of Ada County, Idaho, as instrument number 111100775. The Successor Beneficiary assigned all of its legal and equitable right, title, and interest in and to the Mortgage to NW Bend Real Estate Holdings Ten Mile Creek, LLC, an Idaho limited liability company, by an Assignment of Mortgage dated March 20, 2012, and recorded on March 27, 2012, in the official real property records of Ada County, Idaho, as instrument number 112027300. NW Bend Real Estate Holdings Ten Mile Creek, LLC, shall hereinafter be referred to in this Affidavit as the Grantee under this Deed.

Borrower is in default of one or more obligations to Grantee under the Note and the Mortgage. Grantor declares that this conveyance is freely and fairly made, and that there are no agreements, oral or written, other than this Deed between Grantor and Grantee with respect to the Property which affect the absolute nature of the conveyance hereby made.

This Deed is made as a result of the undersigned Grantor's and Borrower's request that Grantee accepts such Deed. At the time of making this Deed, the credit given against the above described debt instrument is at least equal to the fair market value of the property so deeded. This Deed is not given as a preference against any other creditors. This statement is included in this Deed for the protection of the Grantee, and all other parties hereafter dealing with or who acquire an interest in the land herein described, and shall bind the undersigned Grantor's heirs, executors, and assigns. **IT IS THE EXPRESS INTENTION OF GRANTOR IN EXECUTING THIS DEED, AND GRANTEE IN ACCEPTING THIS DEED, THAT GRANTEE'S FEE INTEREST IN THE PROPERTY AND GRANTEE'S LIENS ON THE FEE INTEREST IN THE PROPERTY AS EVIDENCED BY THE MORTGAGE (TO WHICH GRANTEE IS THE BENEFICIARY) ARE AND SHALL AT ALL TIMES REMAIN DISTINCT AND SEPARATE AND THAT THERE SHALL BE NO MERGER OF GRANTEE'S INTEREST IN THE MORTGAGE, OR IN THE PROPERTY. UPON THE EXECUTION AND DELIVERY BY GRANTOR OF THIS DEED, THE MORTGAGE SHALL NOT BE RELEASED OR RECONVEYED, BUT SHALL REMAIN IN FULL FORCE AND EFFECT.**

Grantor represents and warrants that it has had fair and ample opportunity to seek the advice of counsel of its own choosing pertaining to the negotiations for the preparation of this Deed and that it has reviewed this Deed and is fully aware of its contents and legal effect and that it is not acting under any misapprehension as to the legal affect of this Deed, nor under any duress, undue influence, or misrepresentation of Grantee, Grantee's agents or attorneys or any other person.

Grantee has not and does not expressly or impliedly agree to assume or pay any contract balances, debts, liens, charges, or obligations which relate to or attach to the Property.

Grantor irrevocably and forever waives, surrenders, and relinquishes any equity of redemption and statutory rights of redemption that it may have in connection with the Property.

This Bargain & Sale Deed [Non-Merger Deed in Lieu of Foreclosure] may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one agreement.

TO HAVE TO HOLD the said premises, with their appurtenances unto the said Grantee, its successor and assigns forever.

Dated as of this 23 day of May, 2012.

GRANTOR:

By: Edward A. Johnson
Edward A. Johnson

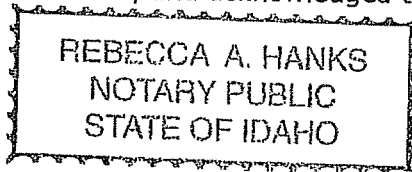
By: Janice M. Johnson
Janice M. Johnson

STATE OF IDAHO)

County of Ada)

ss.

On this 23rd day of May, in the year of 2012, before me
Rebecca A. Hanks, personally appeared Edward A. Johnson, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.



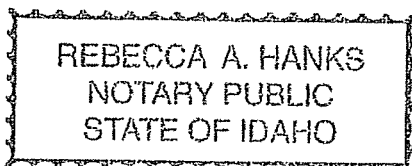
Rebecca A. Hanks
Notary Public for Idaho
My Commission Expires: 10.6.2017

STATE OF IDAHO)

County of Ada)

ss.

On this 23rd day of May, in the year of 2012, before me
Rebecca A. Hanks, personally appeared Janice M. Johnson, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same.



Rebecca A. Hanks
Notary Public for Idaho
My Commission Expires: 10.6.2017

EXHIBIT 1
Legal Description

PARCEL I

A certain lot or parcel of land located in a portion of Sections 19, 29 and 30, Township 2 North, Range 2 East of the Boise Meridian, in the County of Ada, State of Idaho, being more particularly bounded and described as follows:

Commencing at a found brass cap monument marking the Section corner common to Sections 24 and 25, Township 2 North, Range 1 East, Boise Meridian and Sections 19 and 30, Township 2 North, Range 2 East, Boise Meridian;
Thence North 00°44'30" East on the West line of said Section 19, also the centerline of S. Cole Road, a distance of 1817.12 feet to a set 5/8" rebar with plastic cap, on the South right of way line of Ten Mile Creek Road as described in Instrument No. 8145743, records of Ada County, Idaho, said rebar is located on the Section line between the said corner of said Section 19. The said rebar also marks the REAL POINT OF BEGINNING of this description;
Thence along the said South right of way line of Ten Mile Creek Road the following courses and distances;

Thence South 69°39'42" East 329.15 feet to a point;
Thence South 55°15'22" East 505.19 feet to a point;
Thence South 74°38'22" East 591.82 feet to a point;
Thence South 59°54'18" East 559.46 feet to a point;
Thence South 68°12'48" East 693.18 feet to a point;
Thence South 59°53'56" East 428.82 feet to a point;
Thence South 73°31'33" East 335.80 feet to a point;
Thence South 60°41'01" East 1050.16 feet to a point;
Thence South 63°34'47" East 903.44 feet to a point;
Thence South 49°31'54" East 231.74 feet to a point;
Thence South 61°30'43" East 1286.48 feet to a point;
Thence South 78°25'36" East 269.11 feet to a point;
Thence North 86°08'08" East 235.75 feet to a point;
Thence North 73°11'46" East 178.92 feet to a point;
Thence South 85°09'19" East 387.25 feet to a point;
Thence North 77°10'39" East 497.41 feet to a point;
Thence North 86°22'24" East 532.84 feet to a point;
Thence North 68°34'35" East 1015.41 feet to a point;
Thence North 61°59'52" East 646.52 feet to a point;
Thence North 69°29'25" East 414.59 feet to a point;

Thence North 66°32'45" East 321.05 feet to a 5/8" rebar with plastic cap, marking a point on the said South right of way line of said road and the North line of said Section 29;

Thence departing from said South right of way line South 89°39'49" East on the said North line of Section 29, a distance of 210.46 feet to a found brass cap monument marking the corner common to Sections 20, 21, 28 and 29, Township 2 North, Range 2 East, Boise Meridian;

Thence South 00°22'09" West on the East line of said Section 29, a distance of 2630.58 feet to a found 5/8" rebar, marking the East quarter corner of said Section 29;

Thence North 89°52'06" West on the latitudinal center line of said Section 29, a distance of 5324.12 feet to a found brass cap monument, marking the West quarter corner of said Section 29;

Thence North 00°25'08" East on the section line common to Sections 29 and 30, Township 2 North, Range 2 East, Boise Meridian, a distance of 1327.73 feet to a set 5/8" rebar with

plastic cap, marking the Northwest corner of the Southwest quarter Northwest quarter of said Section 29;

Thence North 88°21'09" West a distance of 3420.35 feet to a set 5/8" rebar with plastic cap;

Thence North 05°33'48" West a distance of 609.46 feet to a set 5/8" rebar with plastic cap;

Thence North 31°27'48" West a distance of 828.84 feet to a set 5/8" rebar with plastic cap;

Thence North 68°43'15" West a distance of 1507.28 feet to a set 5/8" rebar with plastic cap, set on the West line of said Section 19;

Thence North 00°44'30" East a distance of 1347.93 feet to the POINT OF BEGINNING.

PARCEL II

A certain lot or parcel of land being a portion of the Southeast quarter of the Northeast quarter, Section 30, Township 2 North, Range 2 East of the Boise Meridian, County of Ada, State of Idaho, being more particularly bounded and described as follows:

Commencing at a brass cap monument marking the East quarter corner of said Section 30, Township 2 North, Range 2 East, Boise Meridian, marked by a brass cap monument;

Thence North 00°25'08" East (North 00°24'50" East) on the East line of said Section 30, a distance of 666.12 feet to a set 5/8" rebar with plastic cap on or near a fence line running Northwest/Southeast (formerly Southwest), said rebar also marks the REAL POINT OF BEGINNING of this description;

Thence on and/or near said fence line the following courses and distances:

North 57°14'18" West, 603.29 feet to a set 5/8" rebar with plastic cap;

North 70°50'56" West, 625.46 feet to a set 5/8" rebar with plastic cap;

South 78°21'37" West, 211.3 feet, more or less, to a point;

Thence North 00°31'58" East a distance of 210.2 feet, more or less to a point on the North line of the Southeast quarter of the Northeast quarter of said Section 30;

Thence South 88°21'09" East (South 88°21'00" East) on said North line a distance of 1308.5 feet, more or less, to a set 5/8" rebar with plastic cap marking the Northeast corner of the South half of the Northeast quarter of said Section 30;

Thence South 00°25'08" West (South 00°24'50" West) on the West line of the South half of the Northeast quarter a distance of 666.61 feet to the POINT OF BEGINNING.

EXHIBIT 2
Permitted Exceptions

Nos. 1 - 6 Intentionally Deleted.

File No. 333948

7. General taxes for the year 2011, which are liens, in the original sum of \$563.76, of which the first half became delinquent on December 20th, plus penalty and interest, and the second half of which will not become delinquent until June 20, 2012.

Parcel No.: 234-S1519336100

Affects: Part of Parcel I

General taxes for the year 2011, which are liens, in the original sum of \$649.16, of which the first half became delinquent on December 20th, plus penalty and interest, and the second half of which will not become delinquent until June 20, 2012.

Parcel No.: 234-S1529110010

Affects: Part of Parcel I

General taxes for the year 2011, which are liens, in the original sum of \$346.84, of which the first half became delinquent on December 20th, plus penalty and interest, and the second half of which will not become delinquent until June 20, 2012.

Parcel No.: 65-S1530110080

Affects: Part of Parcel I

General taxes for the year 2011, which are liens, in the original sum of \$41.12, of which the first half became delinquent on December 20th, plus penalty and interest, and the second half of which will not become delinquent until June 20, 2012.

Parcel No.: 65-S1530141824

Affects: Parcel II

8. General taxes for the year 2012, which are liens, are not yet due and payable.
9. Liens, fees and charges for trash services as provided by Ada County Ordinance No. 467 amending Title 5, Chapter 2, Section 4 of Ada County Code (208-287-6800).

10. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: October 22, 1962
Instrument No.: 540631
Filed In: Book 47 of Miscellaneous Records at Page 101
Affects: Lot 4 in Section 19, Southeast quarter of the Southwest quarter in Section 19, North half of the Northeast quarter of the Northeast quarter of Section 30, East half of the Northeast quarter of the Northeast quarter of Section 29 all in Township 2 North, Range 2 East, Boise Meridian, Ada County, Idaho.
11. Reservations in U.S. Patent recorded October 28, 1964, in Book 516 of Deeds at Page 599 as Instrument No. 597110, including, but not limited to, the following:
Excepting and reserving, also, to the United States, all the oil and gas in the lands so patented, and to it or persons authorized by it, the right to prospect for, mine and remove such deposits from the same upon compliance with the conditions and subject to the provisions and limitations of the Act of July 17, 1914 (38 Stat. 509).
Lot 3 and the SW1/4SE1/4 said Section 19, and the NW1/4NE1/4, NE1/4NW1/4 said Section 29 are subject to such rights for transmission line purposes as the Idaho Power Company may have under the Act of March 4, 1911 (36 Stat 1253) as amended (43 U.S.C. Sec. 961).
Subject to such rights for pipeline purposes as the El Paso Natural Gas Company may have under Section 28 of the Act of February 25, 1920 (41 Stat. 437) as amended by the Act of August 21, 1935 (49 Stat. 674), in Lot 1.
12. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Right of way Easement
In Favor of: Mountain States Telephone and Telegraph Company
Recorded: June 14, 1967
Instrument No.: 666345
Affects: the West 6 feet of the East 24 feet of the Northeast quarter Section 29, Township 2 North, Range 2 East

13. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: February 21, 1991
Instrument No.: 9108861
Affects: The East half of the Northeast quarter Section 29, Township 2 North, Range 2 East
14. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Perpetual easement
In Favor of: US West Communications
Recorded: August 7, 1992
Instrument No.: 9252807
Affects: the Southeast quarter of the Northeast quarter Section 29, Township 2 North, Range 2 East
15. An easement containing certain terms, conditions and provisions affecting a portion of said premises and for the purposes stated herein
For: Power Line Easement
In Favor of: Idaho Power Company
Recorded: November 22, 1994
Instrument No.: 94102507
Affects: the Southwest quarter of Section 19 and the Northwest quarter of Section 30 all in Township 2 North, Range 2 East
16. Rights of way for ditches, tunnels and telephone and transmission lines constructed by Authority of the United States, as granted to the United States under the provisions of Section 58-604 Idaho Code 1947.
Recorded: June 10, 1996
Instrument No.: 96048263

17. Exceptions and Reservations contained in Deed from the State of Idaho whereby said grantor excepts all Mineral Rights as defined by Section 47-701 of Idaho Code. Together with Rights and Claims of parties claiming by through or under them.
Recorded: February 28, 1996
Instrument No./Book and Page: 96016752
Corrected by
Recorded: June 10, 1996
Instrument No.: 96048263
18. Matters disclosed by Record of Survey
Recorded: June 15, 1996
Instrument No.: 96051659
Survey No.: 3576
19. A Mortgage to secure an indebtedness of \$5,750,000.00, and any other amounts as therein provided, payable under the terms, conditions, provisions and stipulations thereof.
Dated: March 23, 2007
Mortgagor: Edward A. Johnson and Janice M. Johnson, husband and wife
Mortgagee: Bank of the Cascades dba Farmers and Merchants, a Bank of the Cascades Company
Recorded: March 26, 2007
Instrument No.: 107041953
The beneficial interest of said Mortgage was assigned by Instrument
Dated: December 6, 2011
To: NW Bend, LLC, a Delaware limited liability company, its successors and assigns
Recorded: December 12, 2011
Instrument No.: 111100775
The beneficial interest of Mortgage was assigned by Instrument
Dated: March 20, 2012
To: NW Bend Real Estate Holdings Ten Mile Creek, LLC, an Idaho limited liability company, its successors and assigns
Recorded: March 27, 2012
Instrument No.: 112027300
Subject to Commercial Loan Purchase Agreement dated September 29, 2011, by and between Assignor and Assignee, as stated in Assignment Instrument No. 111100775.