

RECEIVED

JAN 14 2010

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

WATER RESOURCES
WESTERN REGION

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

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

Water Right No(s)	Adjudication Claim No(s)	Split(s)	Water Right No(s)	Adjudication Claim No(s)	Split(s)
63-10468		yes			

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

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

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

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

OR

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

3. Name and Address of Former Owner/Claimant(s) Teleos Partners, LLC
P.O. Box 65757
Vancouver, Washington 98665

4. New Owner/Claimant(s) Richard L. and S. Carole Shaffer Trust, et al.
Name Connector (Check one): [] and, [] or, [] and/or (see attached deed)

New Mailing Address 3571 E. Mardonna Way

City, State and ZIP Code Salt Lake City, Utah 84109

New Telephone Number (801) 277-2818 Email: RLSSCShaff@msn.com

ORIGINAL

5. Date you acquired the property January 8, 2010

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

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number <u>63-10468</u>		
Irrigation	.70 cfs / 157.5 afa	37 acres
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number _____		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number _____		
Irrigation		
Stock		
Domestic		
Other		
Totals		

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

7. Signature(s) of New Owner(s) or Claimant(s) Richard L. Shaffer
(title if applicable)
(title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:

Received by [Signature] Date 1-14-10
 Received by [Signature] Date 1-14-10
 Processed by _____ AJ Date _____

Receipt Amt. 100
 Receipt No. W038084
 WR [Signature] Date 1-14-10

5b

Recording Requested:
Julie Klein Fischer
Morrow & Fischer, PLLC
332 North Broadmore, Suite 102
Nampa, Idaho 83687

2010001050
RECORDED
2010 Jan 8 AM 11 36
WILLIAM H. HURST
CANYON CNTY RECORDER
BY J. Crane
Requestor TitleOne Boise
Type DEED
Fee \$12.00
ELECTRONICALLY RECORDED BY SIMPLIFILE

C0927494 HC

Non-Merger Deed in Lieu of Foreclosure

Title to the real property described in the attached Exhibit A ("Property") is vested in Teleos Cedar Crossing I, LLC, an Idaho limited liability company ("Grantor"), and is subject to a Deed of Trust, dated January 11, 2006, executed by Grantor in favor of Richard L. and S. Carole Shaffer, as Trustees of Richard L. and S. Carole Shaffer Trust, dated February 12, 1998, and Claretta W. Shaffer and Dorothy J. Peters (collectively "Grantee") and recorded on January 17, 2006 as Instrument No. 200603277 in the records of Canyon County, Idaho (the "Deed of Trust"). Grantee's complete mailing address is 3571 E. Mardonna Way, Salt Lake City, Utah 84109. The Deed of Trust Secures a Promissory Note dated January 11, 2006 in the original principal amount of \$950,000 executed by Grantor. The Note was amended in June 2006 and August 2007 (the original promissory note and all amendments thereto are referred to collectively as the "Note").

Grantor is delinquent in payments under the Note, and Grantee has notified Grantor of the default. Grantee is prepared to initiate foreclosure of the Deed of Trust.

Grantor agrees the Note is in default and has requested the Grantee accept this Deed in Lieu of Foreclosure of the real property. Grantee accedes to that request pursuant to the provisions of this Deed. The consideration for this Non-Merger Deed in Lieu of Foreclosure is the release by Grantee of Grantor from all debts, obligations, costs and charges existing under and by virtue of the Note and the Deed of Trust.

In consideration of Grantee's agreement to forebear from taking further action to collect against Grantor, other than by foreclosure of the Deed of Trust (in which proceeding Grantee will not seek, obtain or permit a deficiency judgment against Grantor), Grantor hereby grants, bargains, sells and conveys the Property to Grantee, with warranty. This conveyance includes without limitation any and all appurtenances to the Property, including any and all fixtures, leases, permits, rights-of-way, entitlements, and buildings or other improvements of any kind. This conveyance also includes any and all water or water rights, whether evidenced by any permit, license, transfer, order, exchange, claim, decree, shares or otherwise, as further described in that certain Water Right Grant Deed and Assignment recorded concurrently herewith.

Grantor covenants to Grantee that Grantor is the owner of the Property in fee simple, that the Property is free from all encumbrances, and that Grantor will forever warrant and defend the

5b

Recorded Electronically	
ID	2010001050
County	Canyon
Date	1-8-10 Time 11:36 m
Simplifile.com 800.460.5657	

Recording Requested:
Julie Klein Fischer
Morrow & Fischer, PLLC
332 North Broadmore, Suite 102
Nampa, Idaho 83687

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Non-Merger Deed in Lieu of Foreclosure

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Grantor covenants to Grantee that Grantor is the owner of the Property in fee simple, that the Property is free from all encumbrances, and that Grantor will forever warrant and defend the

same from all lawful claims. This Deed is intended as an absolute conveyance of the title to the Property conveyed herein, and Grantor hereby surrenders possession of the Property, including the appurtenances and water rights described above, as of the date hereof.

In executing this Deed, Grantor is not acting under any misapprehension as to the effect hereof and is not under any duress or undue influence. Grantor's execution hereof is a voluntary act, and Grantor represents it is not relying on any representation of Grantee or its representatives or attorneys other than those expressly set forth herein.

This Deed is not given as preference over other creditors of the Grantor and at this time Grantor is solvent. Grantor represents there is no person, partnership or corporation, other than Grantor, interested in the Property, directly or indirectly, in any manner whatsoever.

It is the express intent of Grantor and Grantee that the liens or security interests of the Deed of Trust, be preserved against and upon the Property so as not to forfeit or in any way prejudice the rights of the Grantee with respect to the Property, including without limitation the Grantee's rights respecting lien claimants, if any, relating to the Property. The interest of Grantor in the Property being acquired by the Grantee hereunder, and the liens or security interest of the Deed of Trust shall not merge.

Executed this 29 day of December, 2009.

TELEOS CEDAR CROSSING I, LLC

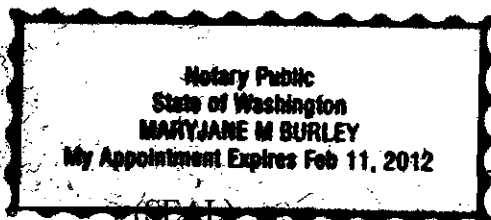
By: [Signature]

STATE OF ~~IDAHO~~ Washington)

) ss.

County of Clark)

On this 29th day of December, 2009, before me, a Notary Public in and for said state, personally appeared Christopher S. Taylor, known or identified to me to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.



[Signature]
Notary Public for ~~Idaho~~ Washington
My Commission Expires: February 11, 2012

EXHIBIT "A"

PROPERTY DESCRIPTION

A parcel of land situate in the Northwest quarter of the Southeast quarter of Section 4, Township 3 North, Range 3 West, Boise Meridian, Canyon County, Idaho, being more particularly described as follows:

Commencing at the center quarter-section corner of Section 14, Township 3 North, Range 3 West, Boise Meridian; thence
South 00°00'19" West 135.96 feet along the West line of the Northwest quarter of the Southeast quarter to the Point of Beginning; thence
South 00°00'19" West 1187.11 feet along the West line of the Northwest quarter of the Southeast quarter to the Southwest corner of the Northwest quarter of the Southeast quarter; thence
North 88°59'42" East 1324.78 feet along the South line of the Northwest quarter of the Southeast quarter to the Southeast corner of the Northwest quarter of the Southeast quarter; thence
North 00°00'12" West 1292.60 feet along the East line of the Northwest quarter of the Southeast quarter; thence
South 90°00'00" West 271.76 feet; thence 9.08 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 52°01'13", a chord bearing of South 63°59'23" West, and a chord length of 8.77 feet; thence
15.59 feet on a tangent curve to the right having a radius of 55.00 feet, a central angle of 16°14'40", a chord bearing of South 46°06'07" West, and a chord length of 15.54 feet; thence 9.46 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 54°13'27", a chord bearing of South 27°06'43" West, and a chord length of 9.11 feet; thence
South 00°00'00" East 14.50 feet; thence
North 90°00'00" West 56.00 feet; thence
North 00°00'00" West 14.50 feet; thence 9.46 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 54°13'27", a chord bearing of North 27°06'44" West, and a chord length of 9.11 feet; thence
15.59 feet on a tangent curve to the right having a radius of 55.00 feet, a central angle of 16°14'39", a chord bearing of North 46°06'08" West, and a chord length of 15.54 feet; thence 9.08 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 52°01'12", a chord bearing of North 63°59'24" West, and a chord length of 8.77 feet; thence
South 90°00'00" West 0.37 feet; thence 186.38 feet on a tangent curve to the left having a radius of 870.00 feet, a central angle of 12°16'27", a chord bearing of South 83°51'46" West, and a chord length of 186.02 feet; thence
South 77°43'33" West 212.81 feet; thence 161.02 feet on a tangent curve to the right having a radius of 770.00 feet, a central angle of 11°58'53", a chord bearing of South 83°42'59" West, and a chord length of 160.73 feet; thence
9.03 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 51°44'22", a chord bearing of South 63°50'15" West, and a chord length of 8.73 feet; thence 15.61 feet on a tangent curve to the right having a radius of 55.00 feet, a central angle of 16°15'24", a chord bearing of South 46°05'46" West, and a chord length of 15.55 feet; thence 9.46 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 54°13'28", a chord bearing of South 27°06'44" West, and a chord length of 9.11 feet; thence
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North 90°00'00" West 56.00 feet; thence
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13.37 feet on a tangent curve to the right having a radius of 55.00 feet, a central angle of 13°55'42", a chord bearing of North 47°15'36" West, and a chord length of 13.34 feet; thence 8.47 feet on a tangent curve to the left having a radius of 10.00 feet, a central angle of 48°33'23", a chord bearing of North 64°34'26" West, and a chord length of 8.22 feet; thence 33.36 feet on a tangent curve to the left having a radius of 198.00 feet, a central angle of 09°39'09", a chord bearing of South 86°19'17" West, and a chord length of 33.32 feet; thence 78.60 feet on a tangent curve to the right having a radius of 529.50 feet, a central angle of 08°30'17", a chord bearing of South 85°44'51" West, and a chord length of 78.52 feet; thence

EXHIBIT "A"

PROPERTY DESCRIPTION

(Continued)

South 90°00'00" West 115.00 feet; thence 47.12 feet on a tangent curve to the left having a radius of 30.00 feet, a central angle of 89°59'41", a chord bearing of South 45°00'09" West, and a chord length of 42.42 feet; thence South 00°00'19" West 6.00 feet parallel with the West line of the Northwest quarter of the Southeast quarter; thence

North 89°59'41" West 40.00 feet at right angles to the West line of the Northwest quarter of the Southeast quarter to the Point of Beginning.

(End of Exhibit "A")

(C0927494.PFD/C0927494/19)

WATER RIGHT GRANT DEED AND ASSIGNMENT

FOR VALUE RECEIVED, Grantor, Teleos Partners, LLC, hereby grants, bargains, sells and conveys unto Grantee, Richard L. and S. Carole Shaffer Trust, dated February 12, 1998 and Claretta W. Shaffer and Dorothy J. Peters (collectively "Shaffer"), whose address is 3571 E. Mardonna Way, Salt Lake City Utah, the following water right: .70 CFS and 151.5 AF of ground water right no. 63-10468 ("Water Right") which right is appurtenant to the real property described on Exhibit A, attached hereto and incorporated herein by this reference. The balance of water right no. 63-10468 (.74 CFS) shall be retained by Teleos Partners, LLC.

Grantor warrants that Grantor is the owner of the Water Right, that it is free and clear of all liens or encumbrances and that Grantor has not conveyed, mortgaged or pledged the water right to any other person or entity.

The Water Right conveyed by this Deed is subject to all conditions and limitations specified in the partial decree for said Water Right or that may be imposed by the Snake River Basin Adjudication Court.

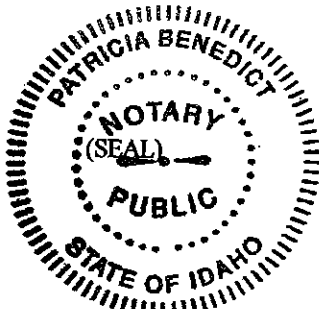
IN WITNESS WHEREOF, the Grantor executed this instrument on this 30 day of December, 2009.

TELEOS PARTNERS, LLC

By: [Signature]

STATE OF IDAHO)
) ss.
County of Canyon)

On this 30 day of December, 2009, before me, a Notary Public in and for said state, personally appeared Kelly C. Miller, known or identified to me to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.



[Signature]
Notary Public for Idaho
My Commission Expires: 07/05/2012

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(Continued)

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(End of Exhibit "A")

(C0927494.PFD/C0927494/19)