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Department of Water Resources
Eastern Region

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January 9, 2012

Idaho Department of Water Resources
Attn: Jonie Barg
900 North Skyline Drive, Suite A
Idaho Falls, ID 83402-1718

**RE: Notice of Change in Name of Entity from Natural Guardian Limited
Partnership to Natural Guardian, LLC.**

Dear Jonie:

Enclosed is a filed *Statement of Conversion* filed pursuant to Idaho Code § 30-18-405 where, pursuant to Idaho law, Natural Guardian Limited Partnership was converted into different business entity (a limited liability company), now known as Natural Guardian, LLC.

The conversion of an entity to another type of entity is governed by the Idaho Entity Transactions Act (found at Idaho Code §30-18-401 to -406), which sets forth a process to perform the conversion. With regards to property that is titled in the name of the former entity, there is no requirement to file and record new deeds for the converted entity, as set forth in Idaho Code § 30-18-406 (a copy of this entire statute is enclosed):

(b) All property of the converting entity continues to be vested in the converted entity without transfer, conveyance, assignment, reversion or impairment.

In other words, when a business entity type is changed, there is no need to prepare and record new deeds, because the *Statement of Conversion* functions as the document that substitutes in the new entity.

I have reviewed the *Notice of Change of Water Right Ownership* form and its instructions, and it does not appear to address this specific situation. The instructions state the following:

A notice is required for changes in ownership from one individual to another, from an individual to a business entity (even if the business is owned by the individual), or from one business entity to another (even if both businesses are owned by the same individual). Adding or removing a name is considered an ownership change which requires the submission of evidence to support the

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change and the filing fee.

What happened with Natural Guardian is not a conveyance from one individual to another, nor is it a conveyance from an individual to a business entity, and it is not a conveyance from one business entity to another. It is the same entity, only that the entity has now been converted to another type.

It seems to me that the major document needed for a *Notice of Change of Water Right Ownership* is a new deed. Since no new deed is required to update the record title of lands currently titled in the name of Natural Guardian Limited Partnership, it does not appear that this is the appropriate form for processing a change in the name of a converted business entity on the Department's water right records.

However, I have reviewed the *Notice of Change of Address* form promulgated by the Department to change the address of a water right holder, and it appears that the business entity conversion is more like a change in address where title to the property and underlying water rights have not changed, and only an update to the contact information needs to occur. Accordingly, we have submitted the enclosed completed *Notice of Change of Address* which does not require a filing fee.

We have included a water right listing after querying IDWR's website for Natural Guardian Limited Partnership water rights. As you can see, there are approximately 120 water rights, and we request that the name be amended from Natural Guardian Limited Partnership to Natural Guardian, LLC. We should let you know Natural Guardian, LLC has recently sold a farm in Basin 34 (Lost River Valley), and the new owners should shortly be filing a *Notice of Change of Water Right Ownership* for the water rights in Basin 34, but for now the name should be updated on these water rights as well.

If you have any questions or concerns, please let me know. We appreciate your attention to this matter.

Best Regards,

A handwritten signature in blue ink that reads "Robert L. Harris". The signature is fluid and cursive, with the first name "Robert" being more prominent.

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosure