

RECEIVED

MAR 03 2008

DEPARTMENT OF WATER RESOURCES

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

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)
34-360A ✓	< 14203 14204	Yes	34-197A ✓	< 14201 14202	Yes
34-196A ✓	< 14199 14200	Yes	34-195A ✓	< 14197 14198	Yes
34-131A ✓	< 14193 14194	Yes	34-130 ✓	< 14189 14190	Yes
34-119C ✓	< 14191 14192	Yes	34-132A ✓	< 14195 14196	Yes
34-13745 ✓	< 14209 14210	Yes	34-776 ✓	< 14207 14208	Yes

SUPPORT DATA

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

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

IN FILE # 34-119C

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) Byron Pehrson, Loy G. Pehrson & Mallnee Pehrson Wred
RT 1 Box 48
Darlington ID 83255
4. New Owner/Claimant(s) Blue Spruce Ranch, LP
 Name Connector (Check one): [] and, [] or, [] and/or
- New Mailing Address 1570 Linda Vista Drive
 City, State and ZIP Code San Marcos CA 92078-3808
 New Telephone Number (760) 744-9382 Email: eregan@lusardi.com

5. Date you acquired the property 8-1-06
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		
Irrigation		
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.

Blue Spruce Ranch, LP by Diversified Engineering, General Partner

7. Signature(s) of New Owner(s) or Claimant(s) BY: Elaine M Regan (title if applicable)
Elaine M Regan, Secretary/Treasurer (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 _____ Date _____
 Received by cm Date 3/3/08
 Processed by _____ AJ Date _____

1000/1125
 Receipt Amt. 925/ \$1050
 Receipt No. CDR 4131
 WR _____ Date _____

ACCEM -

WHEN RECORDED MAIL TO

Warner C. Lusardi
c/o Lusardi Land Company
1570 Linda Vista Drive
San Marcos CA 92078-3808

234520
Custer County Reg. of
Lusardi Land Co.
Time 10:55A M Date 7-25-2006
Ethel M. Peck, Clerk
Betsy Doughty \$6.00
Deputy

Space above this line for Recorder's use

WARRANTY DEED

For Value Received, Warner C. Lusardi, Trustee of the Warner C. Lusardi Family Trust dated June 11, 1993, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto Diversified Engineering, a California corporation as to an undivided 1% interest; Scott Free and Frances Lee Free, Trustees of the Free Family Trust dated February 10, 1997 as to an undivided 40% interest; and Kyle Denning and Christeen Denning, Trustees of the Kyle and Christeen Denning Family Trust dated July 31, 1997 as to an undivided 9% interest, all as Tenants in Common, hereinafter called the Grantee, whose current address is 1570 Linda Vista Drive, San Marcos CA 92078-3808, the following described premises, situated in Custer County, Idaho, to wit:

An undivided interest as set forth above in and to:

Parcel A: Approximately 41.4 acres legally described as:

PARCEL 1:

PART OF THE NW¼ OF SECTION 6 TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS: BEGINNING AT A POINT THAT IS S. 88°55'49" E. 996.91 FEET ALONG THE SECTION LINE TO THE TRUE POINT OF BEGINNING FROM THE NW CORNER OF SECTION 6, AND RUNNING THENCE S. 88°55'49" E. 486.43 FEET ALONG SAID SECTION LINE TO THE SOUTHERLY RIGHT-OF-WAY OF U.S. HIGHWAY NO. 93; THENCE S. 65°04'01" E. 1570.40 FEET ALONG SAID RIGHT-OF-WAY; THENCE FOLLOWING AN EXISTING FENCE LINE THE FOLLOWING SEVEN (7) COURSES: (1) S. 23°53'27" W. 652.44 FEET; THENCE (2) S. 22°47'27" W. 322.18 FEET; THENCE (3) N. 65°17'13" W. 916.03 FEET; THENCE (4) N. 63°44'48" W. 744.36 FEET; THENCE (5) N. 27°36'30" E. 42.37 FEET; THENCE (6) N. 54°27'25" W. 108.88 FEET; THENCE (7) N. 03°36'10" E. 753.08 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR IRRIGATION PUMP AND MAINLINE DESCRIBED AS PART OF THE NW¼ OF SECTION 6, TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS: COMMENCING AT THE NW CORNER OF SECTION 6; THENCE S. 01°11'40" E. 25.02 FEET ALONG THE SECTION LINE TO THE SOUTHERLY RIGHT-OF-WAY LINE OF A COUNTY ROAD AND THE POINT OF BEGINNING. THENCE S. 88°55'49" E. 994.81 FEET ALONG SAID RIGHT-OF-WAY LINE; THENCE S. 03°36'10" W. 20.02 FEET; THENCE N. 88°55'49" W. 811.06 FEET PARALLEL WITH AND 20 FEET SOUTH OF SAID RIGHT-OF-WAY LINE; THENCE S. 01°11'40" E. 35.03 FEET; THENCE N. 88°55'49" W. 182.07 FEET TO A POINT ON THE WEST LINE OF SECTION 6; THENCE N. 01°11'40" W. 55.04 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH all appurtenances thereto, including but not limited to water rights, including but not limited to Water Right Number 32-2513.

Continued on page 2.

SCANNED
JAN 15 2008

224520

Parcel B: Approximately 280.99 acres legally described as:

Township 6 North, Range 24 E.B.M., Custer County, Idaho
Section 1: Lots 1, Lot 2, S1/2NE1/4, NE1/4SE1/4

Township 7 North, Range 24 E.B.M., Custer County Idaho
Section 36: That portion of the S1/2SE1/4SE1/4 that lies south of the Highway and Railroad right-of-way.

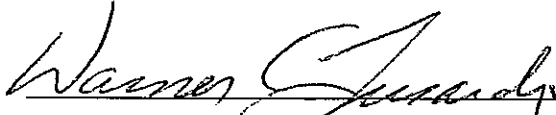
Township 7 North, Range 25 E.B.M., Custer County, Idaho
Section 31: That portion of Lot 4 that lies south of the Highway and Railroad right-of-way.

TOGETHER WILL all appurtenances thereto, including but not limited to, water rights, including but not limited to Water Right Numbers 34-777, 34-2433 and 34-10580.

SUBJECT TO all easements, rights of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises; with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner In fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

Dated: July 17, 2006


Warner C. Lusardi, Trustee

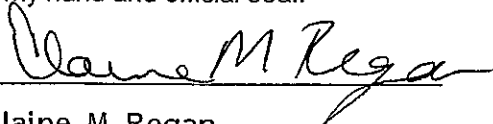
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

}
}ss
}

On July 21, 2006, 2006 before me, Elaine M Regan, Notary Public, personally appeared Warner C. Lusardi personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

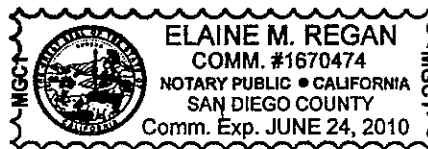
WITNESS my hand and official seal.

Signature



Name: Elaine M Regan

My Commission Expires: June 24, 2010



SCANNED
JAN 15 2008

WHEN RECORDED MAIL TO

Blue Spruce Ranch, LP
c/o Lusardi Land Company
1570 Linda Vista Drive
San Marcos CA 92078-3808

34558
Custer County Req. of
Lusardi Land Company
Time *10:45 AM* Date *8/1/2006*
Ethel M. Peck, Clerk
Ruth Brunken \$ *2.00*
Deputy

Space above this line for Recorder's use

WARRANTY DEED

For Value Received, Warner C. Lusardi, Trustee of the Warner C. Lusardi Family Trust dated June 11, 1993 as to an undivided 50% interest; Diversified Engineering, a California corporation as to an undivided 1% interest; Scott Free and Frances Lee Free, Trustees of the Free Family Trust dated February 10, 1997 as to an undivided 40% interest; and Kyle Denning and Christeen Denning, Trustees of the Kyle and Christeen Denning Family Trust dated July 31, 1997 as to an undivided 9% interest, hereinafter called the Grantor, hereby grants, bargains, sells and conveys unto Blue Spruce Ranch, LP, a California limited partnership, hereinafter called the Grantee, whose current address is 1570 Linda Vista Drive, San Marcos CA 92078-3808, the following described premises, situated in Custer County, Idaho, to wit:

An undivided interest as set forth above in and to:

Parcel A: Approximately 41.4 acres legally described as:

PARCEL 1:
PART OF THE NW $\frac{1}{4}$ OF SECTION 6 TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS: BEGINNING AT A POINT THAT IS S. 88°55'49" E. 996.91 FEET ALONG THE SECTION LINE TO THE TRUE POINT OF BEGINNING FROM THE NW CORNER OF SECTION 6, AND RUNNING THENCE S. 88°55'49" E. 486.43 FEET ALONG SAID SECTION LINE TO THE SOUTHERLY RIGHT-OF-WAY OF U.S. HIGHWAY NO. 93; THENCE S. 65°04'01" E. 1570.40 FEET ALONG SAID RIGHT-OF-WAY; THENCE FOLLOWING AN EXISTING FENCE LINE THE FOLLOWING SEVEN (7) COURSES: (1) S. 23°53'27" W. 652.44 FEET; THENCE (2) S. 22°47'27" W. 322.18 FEET; THENCE (3) N. 65°17'13" W. 916.03 FEET; THENCE (4) N. 63°44'48" W. 744.36 FEET; THENCE (5) N. 27°36'30" E. 42.37 FEET; THENCE (6) N. 54°27'25" W. 108.88 FEET; THENCE (7) N. 03°36'10" E. 753.08 FEET TO THE POINT OF BEGINNING.

PARCEL 2:
AN EASEMENT FOR IRRIGATION PUMP AND MAINLINE DESCRIBED AS PART OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 6 NORTH, RANGE 25 E.B.M., CUSTER COUNTY, IDAHO, DESCRIBED AS: COMMENCING AT THE NW CORNER OF SECTION 6; THENCE S. 01°11'40" E. 25.02 FEET ALONG THE SECTION LINE TO THE SOUTHERLY RIGHT-OF-WAY LINE OF A COUNTY ROAD AND THE POINT OF BEGINNING. THENCE S. 88°55'49" E. 994.81 FEET ALONG SAID RIGHT-OF-WAY LINE; THENCE S. 03°36'10" W. 20.02 FEET; THENCE N. 88°55'49" W. 811.06 FEET PARALLEL WITH AND 20 FEET SOUTH OF SAID RIGHT-OF-WAY LINE; THENCE S. 01°11'40" E. 35.03 FEET; THENCE N. 88°55'49" W. 182.07 FEET TO A POINT ON THE WEST LINE OF SECTION 6; THENCE N. 01°11'40" W. 55.04 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH all appurtenances thereto, including but not limited to water rights, including but not limited to Water Right Number 32-2513.

Continued on page 2.

SCANNED
JAN 15 2008

Parcel B: Approximately 280.99 acres legally described as:

Township 6 North, Range 24 E.B.M., Custer County, Idaho
Section 1: Lots 1, Lot 2, S1/2NE1/4, NE1/4SE1/4

Township 7 North, Range 24 E.B.M., Custer County Idaho
Section 36: That portion of the S1/2SE1/4SE1/4 that lies south of the Highway and Railroad right-of-way.

Township 7 North, Range 25 E.B.M., Custer County, Idaho
Section 31: That portion of Lot 4 that lies south of the Highway and Railroad right-of-way.

TOGETHER WILL all appurtenances thereto, including but not limited to, water rights, including but not limited to Water Right Numbers 34-777, 34-2433 and 34-10580.

SUBJECT TO all easements, rights of ways, covenants, restrictions, reservations, applicable building and zoning ordinances and use regulations and restrictions of record, and payment of accruing present year taxes and assessments as agreed to by parties above.

TO HAVE AND TO HOLD the said premises, with its appurtenances, unto the said Grantee, and to the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that said premises are free from all encumbrances except current years taxes, levies, and assessments, and except U.S. Patent reservations, restrictions, easements of record and easements visible upon the premises, and that Grantor will warrant and defend the same from all claims whatsoever.

Dated: July 18, 2006

Warner C. Lusardi Family Trust dated June 11, 1993

BY: Warner C. Lusardi
Warner C. Lusardi, Trustee

Diversified Engineering, a California corporation

BY: Warner C. Lusardi
Warner C. Lusardi, CEO/President

Free Family Trust dated February 10, 1997

BY: Scott Free
Scott Free, Trustee

Kyle and Christeen Denning Family Trust dated July 31, 1997

BY: Kyle E. Denning
Kyle E. Denning, Trustee

SCANNED
JAN 15 2008

234558

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

}
}ss
}

On July 26, 2006 before me, Elaine M. Regan, Notary Public, personally appeared Warner C. Lusardi and Scott Free and Kyle E. Denning personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

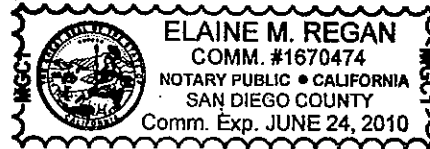
WITNESS my hand and official seal.

Signature

Elaine M. Regan

Name: Elaine M. Regan

My Commission Expires: June 24, 2010



SCANNED
JAN 15 2008