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DEPARTMENT OF
WATER RESOURCES

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Attorneys for East Hills Development LLC and Lexington Hills, Inc.

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re: SRBA

Case No. 39576

Subcase Nos. 63-00123D, 63-00123F, and
63-00123G

**DIRECT TESTIMONY OF
DAVID H. ROYLANCE**

Q. Please state your name.

A. David H. Roylance.

Q. What is your involvement with Lexington Hills, Inc.?

A. I am a Director on the Lexington Hills, Inc., Board of Directors. I have been a Director since Lexington's inception on August 28, 1991 (at that time it was known as Floating Feather Hills, Inc.)

Q. What is your involvement with the Lexington Hills Homeowners' Association, Inc.?

A. I was a Director on the Lexington Hills Homeowners' Association, Inc., Board of Directors at its inception on February 28, 1992. I remained on the Association's Board of Directors throughout the subdivision's development, leaving my post in the late 1990s.

- Q. Aside from your duties as a Director with Lexington Hills, Inc., and with the Homeowners' Association, did you have any other involvement in the development of the Lexington Hills Subdivision?
- A. Yes, I am a professional engineer licensed in the State of Idaho. I am a principal and was an owner of the engineering firm of Roylance and Associates, PA. Lexington Hills, Inc. hired my firm to develop the subdivision plans. I was the project manager and project engineer for the development of the entire subdivision.
- Q. Please describe your involvement in the development of Lexington Hills Subdivision.
- A. I have been involved in all aspects of the development of the subdivision, including formation of the Lexington Hills Homeowners' Association, the drafting of the Declaration of Covenants, Conditions, Restrictions and Easements for Lexington Hills, and development of the subdivision plans.
- Q. Did your involvement include matters related to water, water rights, and the irrigation needs of the subdivision?
- A. Yes.
- Q. Please describe that involvement.
- A. In 1991, prior to the subdivision's development, Lexington Hills, Inc., commissioned my firm to study the then-proposed subdivision's irrigation demands. My firm hired an irrigation expert named Mr. E. Lee Bean to prepare the study. My firm designed the subdivision and its irrigation system in accordance with Mr. Bean's study. Then, in 2001, after the subdivision was fully built-out, Lexington Hills, Inc., again commissioned my firm to conduct an irrigation study to assess the number of irrigable acres within the subdivision.

- Q. Please describe any water rights that were appurtenant to the subdivision lands prior to the subdivision's development.
- A. There were approximately 239 inches of water appurtenant to the lands, including about 230 inches of "Jacobs water," 5 inches of developed water, and 4 inches of Farmer's Union water.
- Q. Please describe how the subdivision and its irrigation system were intended to use these water rights.
- A. The subdivision and its irrigation system were designed so that the subdivision's irrigation needs could be satisfied with about 50% of the then-appurtenant water rights. In accordance with Mr. Bean's study, we designed the irrigation system so that the subdivision would require 0.65 inches of water per irrigated acre at build-out. As the subdivision was developed, an appropriate amount of water rights were conveyed from Lexington Hills, Inc., to the Homeowners' Association. When the development was completed, the subdivision contained approximately 177 irrigable acres and the Homeowners' Association had been conveyed about 122.5 inches of water, which was more than enough at the 0.65 inch per acre duty.
- Q. How did you estimate the irrigable acres?
- A. In 2001, after the subdivision was fully built-out, Lexington Hills, Inc., commissioned my firm to conduct an irrigation study to assess the number of irrigable acres in order to confirm Lexington Hills, Inc. had conveyed sufficient water rights to the Homeowners' Association to meet the subdivision's irrigation needs. This study found that the subdivision contains 176.95 irrigable acres. This year Lexington Hills, Inc. hired SPF Water Engineering to independently confirm the irrigated acreage in response to

litigation using modern GIS tools. SPF concluded that the subdivision includes 170 irrigated acres.

Q. What was the conclusion of you 2001 study?

A. Multiplying the number of irrigable acres by the 0.65 inch-per-acre duty of water the irrigation system had been designed to provide results in 115.0175 inches of water. Since Lexington Hills, Inc. had conveyed 122.5 inches of water to the Homeowners' Association, we concluded that sufficient water rights had been conveyed to meet the subdivision's irrigation needs. Our conclusion is bolstered by SPF's analysis that finds only 170 irrigated acres, which is approximately 7 acres less than our study.

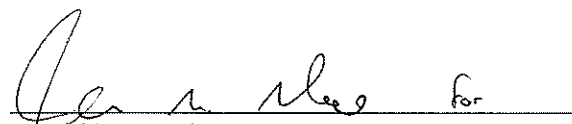
Q. Has Lexington Hills, Inc., offered to assist the Homeowners' Association in determining the amount of water it needs for irrigation?

A. Yes. Lexington Hills, Inc., has offered to split the cost of installing flow metering equipment on the subdivision's irrigation system as a means of assessing the irrigation needs and to confirm that Lexington Hills, Inc., conveyed sufficient water rights to the Homeowners' Association. It was also intended that the Homeowners' Association would ultimately own such equipment for its ongoing water measurement needs.

Q. Did the Homeowners' Association accept this offer?

A. No.

DATED this 10th day of March, 2008.


David H. Roylance

CERTIFICATE OF SERVICE

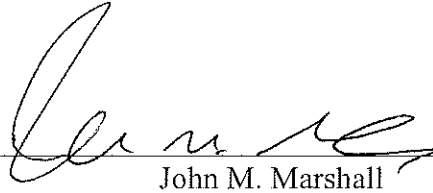
I certify that a true and correct copy of the foregoing document was mailed on March 11, 2008, with sufficient first-class postage to the following:

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By:


John M. Marshall