

Randall C. Budge, ISB No. 1949
Thomas J. Budge, ISB No. 7465
Racine Olson Nye Budge & Bailey, Chtd
P.O. Box 1391; 201 E. Center Street
Pocatello, Idaho 83204-1391
208-232-6101 - Telephone
208-232-6109 - Facsimile

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DEPARTMENT OF
WATER RESOURCES

*Attorneys for Cedron Irrigation, LLC, Cedron Cemetery District, Teton Rainbow
Ranches, Inc., Mahogany Ranch Holdings, Inc., Trees, Inc., and Wally Rothgeb, Jr*

**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

Subcase Nos. 22-13586, 22-13854

Case 39576

STIPULATION

Andrew J. Richardson, Diane Richardson, and Richardson Family Properties, LLC (collectively, the "Claimants"), by and through their attorney, Robert L. Harris of the firm HOLDEN KIDWELL HAHN & CRAPO, PLLC, and Cedron Irrigation, LLC, Cedron Cemetery District, Teton Rainbow Ranches, Inc., Trees, Inc., Mahogany Ranch Holdings, Inc., and Wally Rothgeb, Jr. (collectively, the "Participants"), by and through their attorney, Thomas J. Budge of the firm RACINE OLSON NYE BUDGE & BAILEY, CHARTERED, jointly present this stipulation to resolve any and all objections the Participants may have against SRBA claim numbers 22-13586 and 22-13854 and to provide for the entry of partial decrees for water right numbers 22-13586 and 22-13854.

1. The Claimants are the claimants of SRBA claim numbers 22-13586 and 22-13854, which have as their source Paradise Springs.
2. The Participants own ground water rights¹ that divert from an aquifer that is alleged to be hydraulically connected to Paradise Springs.

¹ Water Right Nos. 22-13135, 22-13961, 22-13962, 22-13963, 22-13964, 22-2280E, 22-2296B, 22-2296D and 22-13681.

3. The Directors Reports for SRBA claim numbers 22-13586 and 22-13854 recommend that both claims be partially decreed as recommended.

4. Michael J. Reid filed a "friendly" late objection to SRBA claim number 22-13586 and 22-13854, which the court granted by order dated June 26, 2009.

5. The Claimants filed an amended notice of claim to water right 22-13854 on September 3, 2009.

6. The late objection filed by Mr. Reid, and the amended notice of claim filed by the Claimants, shed new light on SRBA claim numbers 22-13586 and 22-13854, giving rise to the Participants' interest in the outcome of these subcases.

7. The Participants filed a Motion to Participate in these subcases on July 6, 2009, which is set for hearing on December 23, 2009.

8. The Claimants and Participants have recently discussed the Participants' interest in these subcases, and hereby stipulate and agree that the Participants have an interest in these subcases that warrants their participation pursuant to SRBA Administrative Order 1 § 10.k and Rule 24(a) of the Idaho Rules of Civil Procedure.

9. The Claimants and the Participants hereby stipulate and agree that the Participants have grounds to object to water rights 22-13586 and 22-13854. The Claimants and the Participants further agree that legal and factual issues exist which, if not resolved cooperatively, will necessitate a trial at substantial expense to all involved.

10. The Claimants and Participants have engaged in settlement negotiations, and have reached a settlement that will enable water rights 22-13586 and 22-13854 to be partial decreed without resort to litigation.

11. The Claimants and the Participants hereby stipulate and agree that water right 22-13586 be partially decreed according to the elements defined in the Directors Reports attached hereto as **Exhibit A**, and that water right 22-13854 be partially decreed according to the elements defined in the Claimants' amended notice of claim filed September 3, 2009, with the exception that the following condition be added to both partial decrees:

This water right shall not be permitted to make a delivery call against Water Right Nos. 22-13135, 22-13961, 22-13962, 22-13963, 22-13964, 22-2280E, 22-2296B, 22-2296D, and 22-13681.

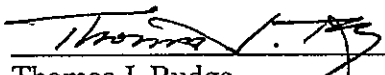
11. In consideration of the conditions and terms set out in this Stipulation, the

Participants agree to refrain from filing any objections against water rights 22-13586 and 22-13854.

12. To the extent any amendments must be made to the current recommendations for water rights 22-13586 and 22-13854 for elements of the water rights that are not the subject of this agreement (i.e., point of diversion or place of use), the Participants agree to refrain from filing any objections against water rights 22-13586 and 22-13854.

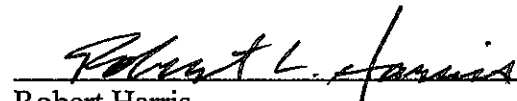
DATED this 18th day of December, 2009.

**RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED**



Thomas J. Budge
Attorneys for the Participants

**HOLDEN KIDWELL HAHN &
CRAPO, PLLC**



Robert Harris
Attorneys for the Claimants

CERTIFICATE OF MAILING

I certify that on this 18th day of December, 2009, I served the above document on the following persons in the manner specified:

1. Original via facsimile to:

Clerk of the District Court
Snake River Basin Adjudication
P.O. Box 2707
Twin Falls, Idaho 83303-2707

3. Copies mailed to (mailed December 21st)

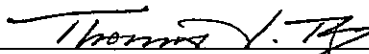
Michael L. Reid
550 S 450 W
Victor, ID 83455

Robert L. Harris
P.O. Box 50130
Idaho Falls, Idaho 83405

IDWR Document Depository
P.O. Box 83720
Boise, Idaho 83720-0098

Chief, Natural Resources Division
Office of the Attorney General
P.O. Box 44449
Boise, Idaho 83711-4449

United States Department of Justice
Environment and Natural Resource Division
550 West Fort Street, MSC 033
Boise, Idaho 83724


THOMAS J. BUDGE