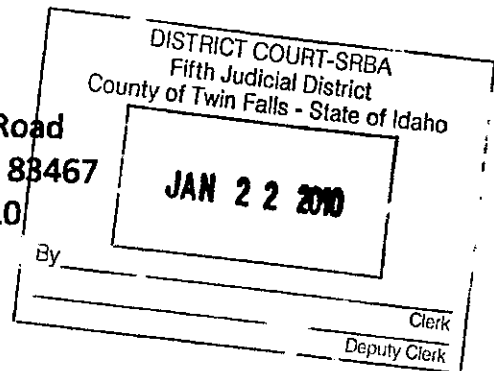


646 Lemhi Road
Salmon, ID 83467
Jan. 20, 2010



Dear Special Master Dolan,

My name is Boyd Stokes and I am the chairman of Water District 74-C. I ranch with my father-in-law, Dale Jolley who owns the ranch next to the Eagle Valley Ranch and the Dean Stokes Ranch.

The purpose for this letter is in response to Mrs. Tracy's letter of April 1, 2009.

After reading her letter, I felt a need to clarify some of her statements.

1. I first must clarify that I ranch with Mr. Jolley and our ranch is separate from the Dean Stokes Ranch. We are related and we do lease his ranch but the water rights involved in this case does not pertain to myself or the Jolley Ranch which is stated in Mrs. Tracy's letter.

2. Several people live in the sub-division where Mr. Jolley's ditch is located; many prior to the Tracys purchasing their property. Those people have never once tried to receive water out of that ditch. Mainly because the warranty deed states that no water rights exist on their properties, yet the Tracys insist on having a right.

3. The water that flows in the above said ditch carries only water decreed to the Jolley Ranch, not to the above said ranches and yet Mrs. Tracy stated in her letter that we were taking her water. In the summer of 2008, she was cutting gaps in our ditch, taking our water, putting it on ground that has never been irrigated, causing damage to our ditch bank and then accuses us of take her water, which she should never been allowed to do.

4. She is claiming that if she doesn't have the water she would not have any feed for her horses or a lawn. Again, making it sound that we are the bad guys taking the water and causing her harm. In reality, they have always had a well (like all of the others in that sub-division) to water their yard and not until they started taking our decreed water did they ever have horse pasture.

5. She then states that the little amount she wants, wouldn't even matter to the big ranches. The fact is, many years there is not enough water to cover the decreed land and usually by August, most of us are shut down.

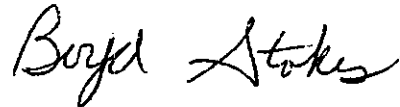
But the amount is not the issue. The issue is that the warranty deed transfers no water to that sub-division. It is the law.

Before all this even started, Mrs. Tracy approached me and asked if she could pump water from our ditch. I explained to her that I couldn't, because the water in that ditch is decreed only to Mr. Jolley's land.

I hope that this letter will be helpful in finalizing this matter. If other questions need answered, I would be happy to assist.

Sincerely,

Boyd Stokes, Chairman of Water District 74-C

A handwritten signature in cursive script that reads "Boyd Stokes".

Dale Jolley, owner of the Jolley Ranch

A handwritten signature in cursive script that reads "Dale Jolley".