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February 1, 2010

S. Bryce Farris, Esq.
Ringert Law, Chartered
455 S. Third Street
P.O. Box 2773
Boise, ID 83701-2773

Re: *SRBA Subcase No. 63-31772*

Dear Bryce:

As requested, enclosed is the Stipulation signed by me on behalf of my client, Ron Sali, for the above-referenced water right. Also enclosed is the fully executed SF5 Stipulated Elements of a Water Right for this subcase number.

Please send me conformed copies of both stipulations after they have been filed with the Court. Thanks for your help and please let me know if you have any questions.

Sincerely,



Michael C. Creamer

MCC:ch
Enclosures
cc: Ron Sali (w/enc.)
Ray Williams (w/enc.)
4419-54_769474_1.DOC

S. BRYCE FARRIS (ISB #5636)
RINGERT LAW CHARTERED
455 S. Third Street
P.O. Box 2773
Boise, Idaho 83701-2773
Telephone: (208) 342-4591
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Attorneys for Hart Davis Ditch Company

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 No. 63-31772
	)	
Case No. 39576	)	
	)	STIPULATION
	)	
	)	
	)	
	)	

COMES NOW Hart Davis Ditch Company ("Hart Davis"), by and through its counsel of record, Ringert Law Chartered, and Ron Sali and Ron Sali Properties, Inc. ("Sali"), by and through their counsel of record, Givens Pursley, LLP, hereby stipulate and agree to the following:

1. Hart Davis has adopted the Resolution attached hereto as Exhibit A.
2. By means of this Stipulation, Sali withdraws any outstanding objections of Sali to Water Right No. 63-31772.
3. By means of this Stipulation, Sali withdraws his objections to the recommendations of disallowal of Water Right Claim Nos. 63-134A, 63-134B, 63-186A and 63-186B filed by Sali. If necessary, Sali will take any further action required by the Court or IDWR to ensure that Sali's objections are withdrawn.

4. Each party agrees to bear its own attorney fees and costs.

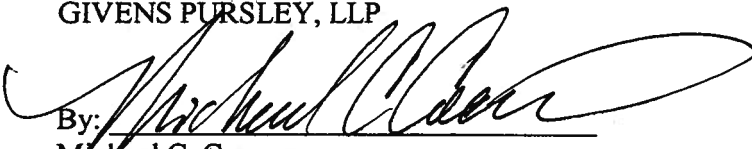
DATED this ____ day of January, 2010.

RINGERT LAW CHARTERED

By: _____
S. Bryce Farris
Attorney for Hart Davis Ditch Company

DATED this 29th day of January, 2010.

GIVENS PURSLEY, LLP

By: 
Michael C. Creamer
Attorney for Ron Sali and Ron Sali Properties, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of January, 2010, I served a true and correct copy of the foregoing document by U.S. mail, postage pre-paid to the following:

Director of IDWR
P.O. Box 83720
Boise, Idaho 83720-0098

Michael C. Creamer
Givens Pursely, LLP
P.O. Box 2720
Boise, ID 83701

S. Bryce Farris

EXHIBIT A

RESOLUTION OF THE HART DAVIS DITCH COMPANY

WHEREAS, the Hart Davis Ditch Company ("Ditch Company") has certain water right claims which are currently pending in the Snake River Basin Adjudication; and

WHEREAS, Ron Sali and Ron Sali Properties, Inc. ("Sali") have filed objections and/or competing claims to the Ditch Company's water rights which are currently pending in the Snake River Basin Adjudication; and

WHEREAS, the Ditch Company and Sali desire to settle the issues involving Sali's claims to a water right and its objections to certain water rights held by the Ditch Company all of which are pending in the Snake River Basin Adjudication; and

WHEREAS, as part of said settlement of the issues with Sali, the Ditch Company recognizes and agrees with the following:

- a. Each share of the Ditch Company represents a proportional interest in the water rights held by the Ditch Company and each share currently represents the respective shareholder's right to delivery up to approximately one miner's inch of water for any authorized uses pursuant to Water Right No. 63-31772.
- b. The place of use listed in Water Right No. 63-31772 is limited to 336 acres within the Ditch Company's permissible place of use. There are currently 333 shares outstanding in the Ditch Company (not including the 165 shares owned by the State of Idaho). The Ditch Company confirms that Sali currently owns 146 shares of the Ditch Company's stock representing Sali's right to delivery and use

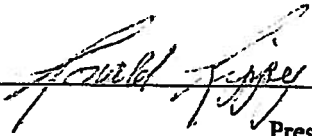
of up to 146 miners inches or 146/336 of the water divertible from the Boise River pursuant to Water Right No. 63-31772.

- c. In the event of administration of Water Right No. 63-31772 by IDWR to limit irrigation or other uses within the Hart Davis service area to no more than 336 acres, any shareholder using more than their proportional interest in the water right shall be required to curtail irrigation or other uses to any excess or expanded acreage. Shareholders irrigating or using within the above-described limits of their shares for authorized uses shall not be curtailed.
- d. In the event a shareholder wishes to transfer the shareholder's interest in the water rights represented by Hart Davis shares, the transfer will be permitted and consented to by Hart Davis, provided it will not result in injury to Hart Davis or other Hart Davis shareholders. Such permission or consent shall not be unreasonably withheld.

NOW, THEREFORE, upon motion made by Mr. Liddell and seconded by Mr. Zahzow, the Board of Directors of Hart Davis Ditch Company adopts and approves this Resolution pertaining to the rights of its shareholders. This Resolution shall be distributed to the shareholders of the Ditch Company at the Ditch Company's 2010 Annual meeting.

Dated the 20 day of ^{Jan. 2010} ~~November~~, 2009.

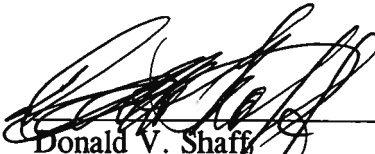
HART DAVIS DITCH COMPANY

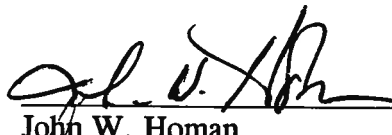

_____, President

ATTEST:

James T Breynoky
Jan 20 2010, Secretary/Treasurer

IDWR Concurrence:

 2-09-09
Donald V. Shaff Date
Adjudication Bureau Chief

 2-09-09
John W. Homan Date
Deputy Attorney General
Attorney for IDWR

IDAHO DEPARTMENT OF WATER RESOURCES
RECOMMENDED WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 63-31772

NAME AND ADDRESS: HART-DAVIS DITCH CO INC
C/O JIM BRESZINSKY
1111 TROUT RD
EAGLE ID 83616

SOURCE: BOISE RIVER

TRIBUTARY: SNAKE RIVER

QUANTITY: 6.660 CFS

This right shall receive 100 percent of its decreed quantity until the natural flow of the waters of the Boise River shall decrease so that all rights containing this condition cannot receive 100 percent of their decreed quantities, at which time this right and the other rights containing this condition shall first be cut to 75 percent of their decreed quantities, as the natural flow of the river decreases, beginning with the latest rights containing this condition and preceding to the earliest rights containing this condition in the order of their priority dates, and after all of the rights containing this condition shall have been reduced to 75 percent of their decreed quantities, should the natural flow of the waters of the river decrease below the amount necessary to supply 75 percent of those decreed quantities, then this right and the other rights containing this condition, beginning with the latest and preceding to the earliest, shall be reduced to 60 percent of their decreed quantities.

PRIORITY DATE: 06/01/1872

POINT OF
DIVERSION:

T04N R01E S17 NWNW Within ADA County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE	PERIOD OF USE	QUANTITY
IRRIGATION	03/01 11/15	6.660 CFS
Diversion for irrigation under this water right prior to April 1 and after October 31 shall occur only as authorized by the Water District 63 Water Master and only when water is being released for flood control by the United States from the Lucky Peak Dam outlet under procedures and requirements for the Memorandum of Agreement between the U.S. Department of the Army and the U.S. Department of the Interior for Flood Control Operations of the Boise River Reservoirs, dated November 20, 1953, the Water Control Manual for Boise River Reservoir dated April 1985 and any future amendments or revisions made thereto pursuant to state or federal procedures or law; provided that any such use of this water right prior to April 1 and after October 31 shall be subordinated to water rights for storage in Lucky Peak Reservoir, Lake Lowell, Arrowrock Reservoir, and/or Anderson Ranch Reservoir, as decreed in SRBA Case No. 39576.		

PLACE OF USE:

~~209~~ 336 ACRES TOTAL

The boundary encompassing the place of use for this water right is described with a digital boundary as defined by I.C. Section 42-202B(2) and authorized pursuant to I.C. Section 42-1411(2)(h). The data comprising the digital boundary are incorporated herein by reference and are stored on a CD-ROM disk issued in duplicate originals on file with the SRBA District Court and the Idaho Department of Water Resources. A map depicting the place of use is attached hereto to illustrate the place of use described by the digital boundary.

THIS RIGHT IS LIMITED TO THE IRRIGATION OF ~~209~~ 336 ACRES WITHIN THE BOUNDARY OF HART-DAVIS DITCH COMPANY.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - Decreed

RIGHT NO. 63-134 IS ALSO DIVERTED THROUGH THE POINT OF DIVERSION DESCRIBED ABOVE.

THIS RIGHT IS A COMBINATION OF OLD RIGHT NOS. 63-186 AND 63-187.

THIS RIGHT IS DESIGNATED AS RIGHT NOS. 57 AND 58 IN THE STEWART DECREE AND THE BOISE RIVER WATER MASTERS RECORDS.

WATER IS DELIVERED THROUGH THE HART-DAVIS DITCH

RIGHT INCLUDES ACCOMPLISHED CHANGE IN POINT OF DIVERSION PURSUANT TO SECTION 42-1425, IDAHO CODE.

[Handwritten signature]
SBF
MCL

Water Service Area Boundary for Hart-Davis Ditch Co Inc
August 14, 2008

A map of the T04N R54W area. The map is overlaid with a grid. A yellow boundary line is drawn across the map, enclosing a central area. Various directional labels are placed on the map, including: 11, 12, 13, 14, 23, 24, NWNE, NWNW, SENE, SWNE, SENW, SSWW, NWSW, NESW, NWSE, NESE, SESE, SWSW, SESW, SWSE, NENE, and NNW. The map shows a mix of red and blue areas, likely representing different land uses or terrain features.

A horizontal number line representing distance in miles. It starts at 0 on the left and ends at 0.8 on the right. Major tick marks are labeled at 0, 0.2, 0.4, and 0.8. There are also minor tick marks between these major values, representing intervals of 0.1 miles (0.1, 0.3, 0.5, 0.7).

 Place Of Use Boundary
 Townships
 PLS Sections
 Quarter Quarters



CERTIFICATE OF MAILING

I certify that on _____, 2009¹⁰, I mailed the original and copies of this form, including all attachments, to the following persons by mailing the original and/or copies, postage prepaid and addressed as follows:

1. Original to:

CLERK OF THE DISTRICT COURT
SNAKE RIVER BASIN ADJUDICATION
253 THIRD AVENUE NORTH
P.O. BOX 2707
TWIN FALLS, IDAHO 83303-2707

2. Copies to:

RON SALI & RON SALI PROPERTIES
Represented by:
JEFFREY C. FEREDAY
601 W. BANNOCK ST.
P.O. BOX 2720
BOISE, ID 83701-2720

RON SALI & RON SALI PROPERTIES
Represented by:
MICHAEL C. CREAMER
601 W. BANNOCK ST.
P.O. BOX 2720
BOISE, ID 83701-2720

HART-DAVIS DITCH CO.
HART-DAVIS DITCH CO., INC
Represented by:
S. BRYCE FARRIS
455 S. THIRD ST
P.O. BOX 2773
BOISE, ID 83701-2773

DIRECTOR OF IDWR
P.O. BOX 83720
BOISE, ID 83720-0098

Signature of person or attorney mailing the form