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DEPARTMENT OF
WATER RESOURCES

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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:

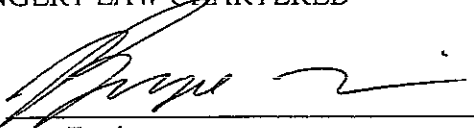
1. Hart Davis has adopted the Resolution attached hereto as Exhibit A.
2. By means of this Stipulation, Sali withdraws any outstanding objections of Sali to Water Right No. 63-31772.
3. By means of this Stipulation, Sali withdraws his objections to the recommendations of disallowal of Water Right Claim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 If necessary, Sali will take any further action required by the Court or IDWR to ensure that Sali's objections are withdrawn.

COPY

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

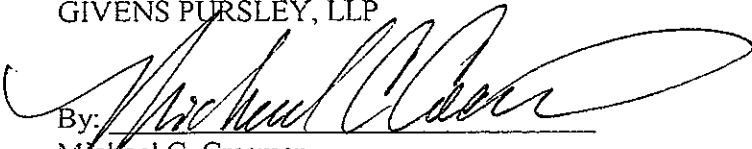
DATED this 2nd day of ~~January~~ ^{February}, 2010.

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 2nd day of ~~January~~ ^{February}, 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

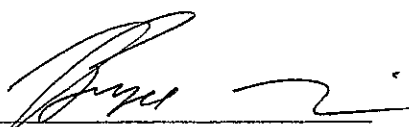

S. Bryce Farris

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

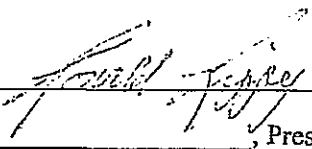
of up to 146 miners inches or 146/336 of the water divertible from the Boise River pursuant to Water Right No. 63-31772.

- 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. Zahraw, 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. Breyer
Jan 20 2010, Secretary/Treasurer