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MAR 21 2012

Department of Water Resources
Eastern Region

Thomas J. Budge, ISB No. 7465
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Attorney for Treasureton Irrigation Company

**BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO**

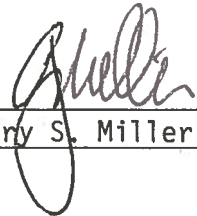
IN THE MATTER OF APPLICATION FOR	)	
PERMIT NO. 13-7784, IN THE NAME OF	)	
MILLER FAMILY REAL ESTATE, LLC	)	
	)	STIPULATION FOR
	)	WITHDRAWAL OF
	)	TREASURETON IRRIGATION
	)	COMPANY'S PROTEST
_____	)	

Applicant Miller Family Real Estate, LLC ("Miller") and Protestant Treasureton Irrigation Company ("Treasureton"), hereby jointly stipulate to the withdrawal of the *Notice of Protest* filed by Treasureton in this matter, dated June 2, 2011. This Stipulation is submitted to the Idaho Department of Water Resources ("IDWR") pursuant and subject to the *Settlement Agreement* between the parties effective March 1, 2012, attached hereto as Exhibit A. Pursuant to Section 3 of the Settlement Agreement, this Stipulation requires that the following conditions be added to any Permit and License issued by the IDWR for Water Right No. 13-7784:

- Diversions from Cottonwood Creek are limited to times when the Treasureton Irrigation Company diverts water into the Treasureton Canal for irrigation purposes, unless prior written approval is obtained from Treasureton Irrigation Company to divert water through the Treasureton Canal during times when water is not being diverted into the Canal for irrigation purposes.
- The use of water under this water right shall be subject to the terms of the Settlement Agreement effective March 1, 2012, between Miller Family Real Estate, LLC, and Treasureton Irrigation Company on file with the IDWR.

MILLER FAMILY REAL ESTATE, LLC

03/13/2012
Date

By: 
Its: Gregory S. Miller, Operating Manager

TREASURETON IRRIGATION COMPANY

2-27-12
Date

By: 
BRAD SHUMWAY, President

2-27-12
Date

By: 
VERLE CHRISTENSEN, Secretary

CERTIFICATE OF SERVICE

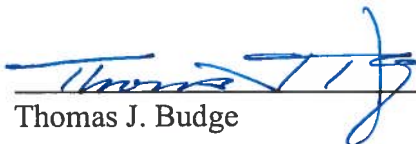
I HEREBY CERTIFY that on this 20th day of March, 2012, I served a true and complete copy of the foregoing document in the manner indicated upon the following:

Steven Fuller
Attorney at Law
P.O. Box 191
Preston, Idaho 83263

Claudia Conder
PacifiCorp
1407 West North Temple
Salt Lake City, Utah 84116

Strongarm Reservoir Irrigation District
2806 W. 7400 N.
Preston, Idaho 83263

Barker Rosholt & Simpson
Paul Arrington
P.O. Box 485
Twin Falls, Idaho 83301-0485



Thomas J. Budge

MAR 21 2012

Department of Water Resources
Eastern Region**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT ("Agreement") is entered into effective March 1, 2012, by and between MILLER FAMILY REAL ESTATE, L.L.C., a Utah limited liability company, 9350 South 150 East Suite 1000, Sandy, Utah 84070 ("MFRE") and TREASURETON IRRIGATION COMPANY, 3815 North 1600 West, Preston, Idaho 83263 ("Treasureton").

RECITALS

WHEREAS, MFRE owns water right 13-7127, which authorizes the diversion of water from Current Creek into an existing reservoir (the "Miller Reservoir") on property owned by MFRE in Bannock County, Idaho, during the winter months, with a season of use identified as "11/1 to 3/31;" and

WHEREAS, MFRE filed an Application for Permit (the "Application"), on May 3, 2011, with the Idaho Department of Water Resources (IDWR); and

WHEREAS, the Application, assigned water right number 13-7784, seeks to divert water from Cottonwood Creek, Stockton Creek and Current Creek into the Miller Reservoir, with a season of use identified as "1/1 to 12/31;" and

WHEREAS, Treasureton filed a protest against the Application with the IDWR; and

WHEREAS, the parties desire to settle and resolve Treasureton's protests pursuant to the terms of this Agreement;

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and performances set forth below, the sufficiency of which is hereby acknowledged, the Parties agree as follows.

1. SEASON OF USE: The season of use of water right 13-7784, for diversions of water from Cottonwood Creek through the Treasureton Canal, shall be limited to "4/1 to 10/31." The season of use for diversions from Current Creek and Stockton Creek shall be "1/1 to 12/31."

2. USE OF TREASURETON CANAL: MFRE agrees that its right to divert water from Cottonwood Creek through the Treasureton Canal shall be limited to times when Treasureton Irrigation Company is diverting water into the Treasureton Canal for irrigation purposes, unless MFRE obtains prior written approval from Treasureton Irrigation Company to divert water through the Treasureton Canal during times when water is not being diverted into the Canal for irrigation purposes. This means that even though the season of use of water right 13-7784 is "4/1 to 10/31," MFRE may not be permitted to divert water from Cottonwood Creek through the Treasureton Canal during that entire period. In addition, MFRE has no right to operate the diversion structures that turn water from Cottonwood Creek into the Treasureton Canal or from the Treasureton Canal into the Stockton Creek drainage. Such structures may be operated only by designated representatives of Treasureton Irrigation Company.

3. CONDITIONS ADDED TO WATER RIGHT: The following conditions shall be added to any Permit and License issued by the IDWR for water right 13-7784:

3.1. Diversions from Cottonwood Creek are limited to times when the Treasureton Irrigation Company diverts water into the Treasureton Canal for irrigation purposes, unless prior written approval is obtained from Treasureton Irrigation Company to divert water through the Treasureton Canal during times when water is not being diverted into the Canal for irrigation purposes.

3.2. The use of water under this water right shall be subject to the terms of the Settlement Agreement effective March 1, 2012, between Miller Family Real Estate, LLC, and Treasureton Irrigation Company on file with the IDWR.

4. DISPUTE RESOLUTION. Any substantial dispute between the parties will be resolved in accordance with the following provisions:

4.1. Good Faith Negotiation. Upon written notice from one party to the other, representatives of the parties will attempt in good faith to resolve the dispute by negotiation.

4.2. Mediation. If any dispute cannot be resolved by negotiation, either party may demand that the dispute be subjected to mediation before a mediator designated by mutual agreement of the parties. The mediation will be held in Bannock County, Idaho, unless otherwise agreed by the parties. Mediator costs will be split equally between the parties.

4.3. Arbitration. If any dispute cannot be resolved by mediation, either party may demand that the dispute be submitted to arbitration in accordance with the Uniform Arbitration Act, Title 7, Chapter 9, Idaho Code, as amended from time to time, before an arbitrator designated by mutual agreement of the parties. If the parties cannot agree upon an arbitrator, the dispute shall be submitted to a panel of three disinterested arbitrators, one selected by each party and the third by the two thus selected. The arbitration will be held in Bannock County, Idaho, unless otherwise agreed by the parties. Arbitrator costs will be split equally between the parties. The arbitrator's decision shall be binding, except that the losing party may appeal the decision on two grounds only: (1) the decision was arbitrary and capricious, or (2) fraud by a member of the panel.

4.4. Litigation. Litigation is allowed only for the purpose of enforcing a settlement agreement entered into between the parties or pursuant to the Uniform Arbitration Act or to obtain injunctive relieve pursuant to section 4.7 below.

4.5. Attorney Fees. If action is brought to enforce a settlement agreement between the parties or an arbitrator's decision, or to obtain injunctive relief pursuant to section 4.7 below, the prevailing party will be entitled to recover reasonable attorney fees and costs incurred.

4.6. Governing Law, Jurisdiction, and Venue. The laws of Idaho shall govern the interpretation of this Agreement. The parties agree that the courts of Idaho shall have exclusive jurisdiction and agree that Bannock County is the proper venue.

4.7. Exclusive Procedures. The procedures specified in this section shall be the exclusive procedures for resolving disputes between the parties arising out of or relating to this Agreement; provided that a party may seek injunctive relief if in its judgment such action is necessary to avoid irreparable damage. Despite such action the parties shall continue to participate in good faith in the procedures specified in this section. All applicable statutes of limitation shall be tolled while the procedures specified in this section are pending.

5. NOTICE: All notices hereunder must be in writing addressed to the Party at the address specified herein, unless the Party has designated another address in writing.

6. REPRESENTATION: Each Party hereby represents, warrants and covenants to the other Parties that the Party has the authority to enter into this Agreement and perform the obligations herein.

7. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.

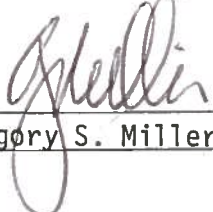
8. MODIFICATION: This Agreement may not be amended except by a written agreement signed by all Parties.

9. NO THIRD PARTY BENEFICIARIES: Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon or to give to any person or entity, other than the Parties hereto and their successors and permitted assigns, any rights, remedies or other benefits under or by reason of this Agreement.

10. BINDING EFFECT: This Agreement shall inure to the benefit of, and is binding upon, the Parties hereto, and their respective heirs, representatives, successors and assigns.

11. FURTHER ASSURANCES: The Parties hereto agree that they will execute and deliver such further documents, undertake such further acts and give such further assurances as may be reasonably requested by each other in order to carry out the full intent and purposes of this Agreement.

MILLER FAMILY REAL ESTATE, L.L.C.

By: 
Its: Gregory S. Miller, Operating Manager

03/13/2012
Date

TREASURETON IRRIGATION COMPANY

By: Brad Shumway
Brad Shumway, President

2-27-12
Date

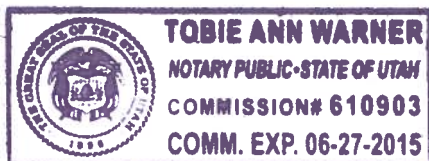
Attest: Verle Christensen
Verle Christensen, Secretary
VC

2-27-12
Date

NOTARY

STATE OF UTAH)
)ss.
County of SALT LAKE)

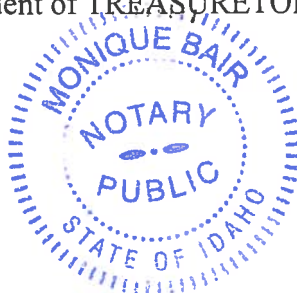
On this 13 day of March, 2012, before me, the undersigned notary public, personally appeared Gregory S. Miller, who, being by me first duly sworn, declared that he is the Operating Manager of MILLER FAMILY REAL ESTATE, L.L.C., that he signed the foregoing document as the Operating Manager of MILLER FAMILY REAL ESTATE, L.L.C.



Tobie A. Warner
NOTARY PUBLIC FOR UTAH
Residing at: GRANTSVILLE, UT
My Commission Expires: 06-27-2015

STATE OF Idaho)
)ss.
County of Franklin)

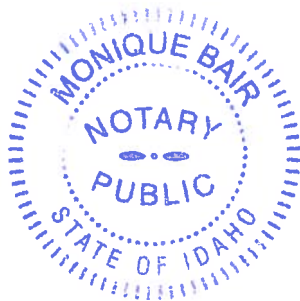
On this 27 day of February, 2012, before me, the undersigned notary public, personally appeared Brad Shumway, who, being by me first duly sworn, declared that he is the President of TREASURETON IRRIGATION COMPANY, that he signed the foregoing document as the President of TREASURETON IRRIGATION COMPANY.



Monique Bair
NOTARY PUBLIC FOR State of Idaho
Residing at: Preston, Idaho
My Commission Expires: 6-19-2012

STATE OF Idaho
Frank)
County of Franklin) ss.

On this 27 day of February, 2012, before me, the undersigned notary public, personally appeared **Verle Christensen**, who, being by me first duly sworn, declared that he is the Secretary of TREASURETON IRRIGATION COMPANY, that he signed the foregoing document as the Secretary of TREASURETON IRRIGATION COMPANY.



Monique Bair
NOTARY PUBLIC FOR State of Idaho
Residing at: Preston, Idaho
My Commission Expires: 6-19-2012

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Department of Water Resources
Eastern Region

LAW OFFICES OF

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www.racinelaw.net

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BOISE, IDAHO 83702
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FACSIMILE: (208) 433-0167

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SUITE 107
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IDAHO FALLS, ID 83405
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FACSIMILE: (208) 528-6109

ALL OFFICES TOLL FREE
(877) 232-6101

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JOHN R. GOODELL
JOHN B. INGELSTROM
DANIEL C. GREEN
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AARON A. CRARY
JOHN J. BULGER
BRETT R. CAHOON
JEFFREY A. WARR

March 19, 2012

James Cefalo
IDWR - Eastern Region
900 N. Skyline Drive, Suite A
Idaho Falls, Idaho 83402

Re: *Permit No. 13-7784 - Miller Family Real Estate, LLC*

Dear James:

Enclosed are an original and one copy each of the *Settlement Agreement and Stipulation for Withdrawal of Treasureton Irrigation Company's Protest* entered into between Treasureton Irrigation Company and Miller Family Real Estate, LLC, to resolve Treasureton's protest against Miller's Permit No. 13-7784. Please file and process the originals and conform stamp and return the copies to me in the enclosed envelope.

Please give me a call if you have questions regarding either of these filings.

Sincerely,



T.J. BUDGE

TJB:rr

Enclosures

cc: Treasureton Irrigation Co.
Paul Arrington