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FEB 09 2010

Department of Water Resources
Eastern Region

Attention Garden Creek Irrigation Company "Old Ditch Company" Shareholders.

For your information, there are still those assuming unauthorized rights and conducting illegal activity in the name of Garden Creek Irrigation Company. A recent mailing sent February 2, 2010 from Mr. McKenzie, Attorney, hired by private parties, is claiming to represent the Garden Creek Irrigation Company. Mr. McKenzie is guilty of false representation in this matter. Grant Olson's name continues to appear in this attorney's mailings. As we know, he has no shares or legal vote in Garden Creek Irrigation Company affairs, yet appears to be a major player in this activity. We can only surmise what his involvement is. Apparently, the purpose for hiring this Attorney, is to misrepresent the facts and attempt to conduct affairs of the Old Ditch Company for their own personal agenda without giving due process to all shareholders.

The writing from Mr. McKenzie, states that a meeting was held on February 1, 2010 wherein certain share holders purported to be present, voted to fire Klain Christensen and Jack Hatley as directors of Garden Creek Irrigation Company, and cancel the legally called special meeting for February 15th, 2010. Since all shareholders were not notified, nor the agenda made known, their February 1st meeting was not called by due process. This excluded shareholders from attending, participating in discussion, and an opportunity to vote! Conducting company business and unauthorized voting violated company by-laws, and shareholders rights. The voting in this secret meeting was illegal, nullifying this action.

The by-laws provide that shareholders representing over 50% of company stocks may call a meeting, but all shareholders must be duly notified and the agenda for the meeting set forth as prescribed by Article 2 #s 2&4. The removal of Leland Armstrong by the directors for refusal to perform duties was done by legal authority of Article IV # 3 .

The special February 15th meeting called by the directors of Garden Creek Irrigation Company, will go forward as scheduled. We will not recognize the illegal action to remove the directors leaving the company open to invalid governance. A quorum of shareholders is not required to hold a meeting. However, if a quorum is not present, the attending shareholders representing over 50% of the shares may adjourn the meeting. If the meeting is not adjourned, the remaining stockholders may transact business as usual, as prescribed in Article 2 #7.

False statements and accusations made in Mr. McKenzies writing, are intended to vilify and discredit the directors and justify illegal conduct by those who personally hired his services. Their claims will be open for discussion in the February 15th meeting. Again we emphasize that Mr. McKenzie does not represent the Garden Creek Irrigation Company. Those solicitors of Mr. McKenzies services, which may include the president or the former secretary, acting alone or in unison have no authority to enlist legal services for and in behalf of Garden Creek Irrigation Company, Article 5 #2. Their plan seems to be an attempt to thwart efforts to rectify existing problems and improve the current water system.

These back door antics can only be invalidated by a united effort of the Old Ditch Company members who wish to retain their rights. Rights to be heard, represented fairly, justly, and honestly; and allow each member the same privelege, must be preserved. We will meet February 15, 2010, Arimo city hall, 7 P.M.

Jack Hatley, Klain Christensen, Directors Garden Creek Irrigation Company

Jack Hatley 2/5/10

Klain Christensen 2/5/10

McKenzie & McKenzie, P.A.

Attorneys and Counselors At Law

Jay R. McKenzie

Adam J. McKenzie †

February 2, 2010

Klain T. Christensen
963 W. Glover Road
Arimo, ID 83214

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Department of Water Resources
Eastern Region

RE: Garden Creek Irrigation Company, Inc.

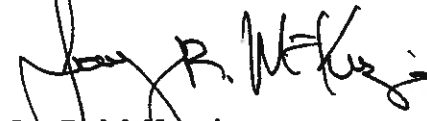
Dear Mr. Christensen:

Please find enclosed a copy of the *Notice Of Action By Shareholders of Garden Creek Irrigation Company, Inc.*, dated February 1, 2010. Effective February 1, 2010, you and Jack Hatley have been removed as directors of Garden Creek Irrigation Company, Inc. The enclosed *Notice* represents the vote of the majority of the shares of stock of Garden Creek Irrigation Company, Inc.

This letter is also to advise you that the named stockholders, who own a majority of the shares of Garden Creek Irrigation Company, Inc., will not be attending the purported February 15th meeting; therefore, there cannot be a quorum of shares, to hold a valid meeting. However, there will be a meeting of stockholders at the annual meeting, set by the Bylaws of Garden Creek Irrigation Company, Inc. for the last Saturday of March, which will be March 27, 2010 at 6:00 o'clock p.m. Notice will be sent later to all stockholders, but everyone wanted to give you advanced notice of the time of the regular annual meeting. At that meeting, elections will be held, and the meeting will be conducted pursuant to the Bylaws of the Corporation.

Thank you very much.

Very truly yours,


Jay R. McKenzie
Attorney at Law

JRM:bj

Enclosure

NOTICE OF ACTION BY SHAREHOLDERS
GARDEN CREEK IRRIGATION COMPANY, INC.
FEBRUARY 1, 2010

BE IT KNOWN, that on this 1st day of February, 2010, the following shareholders of GARDEN CREEK IRRIGATION COMPANY, INC., consisting of 62% of the outstanding 300 shares of stock of GARDEN CREEK IRRIGATION COMPANY, INC., met and voted unanimously to remove JACK HATLEY and KLAIR CHRISTENSEN as directors of GARDEN CREEK IRRIGATION COMPANY, INC., effective immediately:

<u>SHAREHOLDER</u>	<u>NO. OF SHARES</u>
~~Reed~~ ^{sc} and Brian Capell	60
Leland Armstrong	15
Jack Bishard	53
Maurice Toler	<u>60</u>
TOTAL	188 shares

Reasons for removal of the foregoing as directors are, among other reasons: (1) Klain Christensen has not owned stock in the company, until just recently, and the stock he owns is encumbered by an unpaid assessment; (2) Klain submitted a fraudulent application to the Idaho Department of Water Resources; (3) Klain failed to follow Article 6, No. 2, of the Bylaws of the Company; (4) Klain has indicated his intent to remove Leland Armstrong as secretary of the Company and called for the books and seal of the Company; (5) Klain has paid visits and vented his wrath upon some of the Protestants to his Application For Transfer No. 75647, to the Idaho Department of Water Resources; (6) Klain has been put on notice to have no further contact with Garden Creek Irrigation Company, Inc. shareholders, officers, and Protestants of No. 75647 Application; (7) Klain is in violation of the notice to have no further contact with Garden Creek Irrigation Company, Inc. shareholders, officers and Protestants of No. 75647 Application; (8) Klain has bullied the president, Reed Capell, at Mr. Capell's residence in Quail Ridge Assisted Living Center; (9) Klain and has falsely stated that he has permission from Mr. Capell to call a meeting; (10) Jack Hatley has transferred all of his stock to his son, Sheldon Hatley.

DATED this 1st day of February, 2010.


~~REED CAPELL~~^{sc}

*These libelous statements directed mainly at Klain are made up of part truths and lies. For the facts call Jack 254-3438
Klain 254-3149*

Leland Armstrong
LELAND ARMSTRONG

Jack B. Bishard
JACK BISHARD

MAURICE TOLER

By: Leland Armstrong
LELAND ARMSTRONG
Pursuant to a duly-executed Proxy
for Maurice Toler, held by
Leland Armstrong

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of February, 2010, I served a true and correct copy of the foregoing to the following person(s) as follows:

Jack Hatley	☒	U.S. Mail, Postage Prepaid
3417 W. Arimo Rd.	☐	Hand Delivery
Arimo, ID 83241	☐	Overnight Mail
Sheldon Hatley	☒	U.S. Mail, Postage Prepaid
13589 S. Thacker Rd.	☐	Hand Delivery
Arimo, ID 83241	☐	Overnight Mail
Maurice and Ingrid Toler	☒	U.S. Mail, Postage Prepaid
231 E. Glover Road	☐	Hand Delivery
Arimo, ID 83214	☐	Overnight Mail
Leland Armstrong	☒	U.S. Mail, Postage Prepaid
2321 W. Arimo Road	☐	Hand Delivery
Arimo, ID 83214	☐	Overnight Mail
Grant H. Olson	☒	U.S. Mail, Postage Prepaid
14224 S. Jenkins Road	☐	Hand Delivery
Arimo, ID 83214	☐	Overnight Mail

DN

Klein Christensen

Reed and Brian Capell
P.O. Box 271
McCammon, ID 83250

☒ U.S. Mail, Postage Prepaid
☐ Hand Delivery
☐ Overnight Mail

Klain Christensen
963 W. Glover Road
Arimo, ID 83214

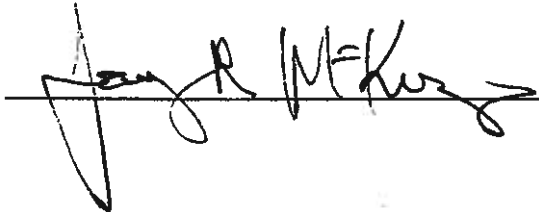
☒ U.S. Mail, Postage Prepaid
☐ Hand Delivery
☐ Overnight Mail

Jack Bishard
2001 Dana
Pocatello, ID 83201

☒ U.S. Mail, Postage Prepaid
☐ Hand Delivery
☐ Overnight Mail
☐ Facsimile

James Cefalo
Eastern Regional Office
Idaho Department of Water Resources
900 North Skyline Drive, Ste A
Idaho Falls, ID 83402-1918

☒ U.S. Mail, Postage Prepaid
☐ Hand Delivery
☐ Overnight Mail
☐ Facsimile

A handwritten signature in black ink, appearing to read "James R. McKee", is written over a horizontal line.