

**RESOLUTION 10-01 OF THE BOARD OF DIRECTORS OF  
SADDLE MOUNTAIN MUTUAL WATER COMPANY  
SUSPENDING VOTING RIGHTS OF SHAREHOLDERS  
DELINQUENT IN PAYMENT OF ASSESSMENTS  
AS OF RECORD DATE FOR SHAREHOLDER MEETING**

WHEREAS, pursuant to statute and the articles and bylaws of the Saddle Mountain Mutual Water Company (“the Company”), the Board of Directors has the authority to temporarily suspend shareholder voting rights due to nonpayment of assessments according to the terms set out in Art. IV §8.A. of the Company bylaws;

WHEREAS, any shareholder who fails to pay Company assessments in a timely manner pursuant Art. VIII, §3 of the Company bylaws shall be deemed delinquent;

WHEREAS, by resolution at the meeting of the Board of Directors held April 15, 2010, the Directors agreed that suspension of voting rights of shareholders deemed delinquent as of the record date of any Company shareholder meeting is in the best interest of the Company;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SADDLE MOUNTAIN MUTUAL WATER COMPANY:

1. The voting rights of all delinquent shareholders as of the record date of any Company shareholder meeting are hereby suspended;
2. Such suspension of voting rights shall remain effective against the delinquent shareholder until payment of all past due assessments and applicable penalties prior to the record date of a subsequent shareholder meeting.

The foregoing resolution was APPROVED AND ADOPTED by unanimous vote of the Directors at a duly noticed and conducted telephone meeting of the Board of Directors on April 15, 2010.

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PRESIDENT

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SECRETARY