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NOV 29 2002
WATER RIGHTS
SALT LAKE

RED CEDAR CORPORATION
STAR ROUTE 705
TROUT CREEK, UTAH
435-693-3143 84083

George Douglass
Callao Star Route 380
Wendover, UT 84083

Dear George:

In the certified letter to you on 6/21/02, I notified you that Red Cedar Corporation would not be renewing the (20-gpm) water lease with you again next year.

This letter will serve to notify you again. Red Cedar Corporation will not be renewing the (20- gpm) water lease with you next year. The water lease will terminate on March 31, 2003. Therefore, on April 1, 2003 and thereafter, the previous water lease agreement of 20-gpm, will no longer be binding on either party.

Date: 11-26-02


Glen A. Allred (Treasurer)

Cc: State Engineers Office
Division of Water Rights
P. O. Box 146300
Salt Lake City, UT 84114-6300