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DISTRIBUTION SYSTEM

[SYSTEM NOTES CORRESPONDENCE]

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September 1, 2012

Edward C. Jessen (Family Trust)
8745 East 20750 North
Mt. Pleasant, Utah 84647-5616

Affel H. Erekson
20995 North 8900 Est
Mt. Pleasant, Utah 84647

Diana Stringer
2581 North Hwy 89
P.O. Box 7
Mt. Pleasant, Utah 84647

Dear Messers. Jessen & Erekson and Mrs. Stringer:

Re: Water rights in the M & M Irrigation Company & Water Right No. 65-3247

To introduce myself I represent the M & M Irrigation Company. The Board of Directors and myself have read carefully the letter dated June 5, 2012 from Mike Silva of the Division of Water Rights which spells out his study of Water Right No. 65-3247. As he points out this is a water right from the "North and South Springs" and a change in the point of diversion would be needed to legally divert this water from the M & M Canal, assuming the M & M Irrigation Co. was willing to carry the water if a POD change were to be granted by the Division.

This letter is to notify you that your water rights from No. 65-3247 as outlined by Mr. Silva will no longer be carried in the canals and ways of the M & M Irrigation Co. beginning with the water year of 2013. The Company may not lawfully carry this water in its canals and ways and to do so could bring enforcement action against the Company from the Division of Water Rights as well as subject the M & M to other liability. Hopefully this will allow you time to make other plans and arrangements for the use and transmission of your water for 2013 and beyond. The Company also does not intend to carry the water in the future even if you were to obtain a POD change for the water.

I should note that even though this letter is jointly addressed I point out

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WATER RIGHTS
SALT LAKE

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Mr. Silva's research comment that he was not able to find any water rights related to the Stringer's other than what may be shares in the M & M Irrigation Company.

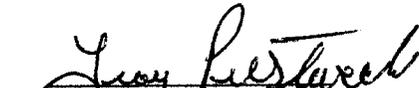
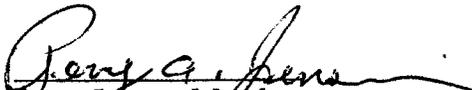
Finally as regards to shares you own in the M & M Irrigation Company. Your water represented by shares in the M & M Irrigation Company will of course be continued to be carried in company canals and ways subject to the operational rules, charges and orders of the Board of Directors.

Sincerely,



Ross C. Blackham
Attorney at Law

Board of Directors:


Frank Eliason, Pres.
Reed Christensen, V.P.
Troy Prestwich, Sec./Trea.
Ron Rowland, Member
Perry Jensen, Member