

EVANS, GROVER & BEINS, P.C.

—ATTORNEYS AT LAW—

A Professional Corporation
P.O. Box 160 - 52 West Main Street
Tremonton, UT 84337

BRUCE C. EVANS (1956-2010)
JONATHAN R. GROVER*†
CHRISTOPHER A. BEINS

Tel:(435) 257-6590
Fax:(435) 257-6592
Toll:(866) 486-5950
www.egb-law.com

* Also admitted in California.
† Also admitted in Idaho.

August 24, 2010
Via U.S. First Class Mail - CERTIFIED

David Z. Thompson
Cedar Ridge Distribution Co.
12435 North Hillcrest Dr.
Deweyville, UT 84309

Re: August 9, 2010 Assessment
Cedar Ridge Distribution Company Water Members

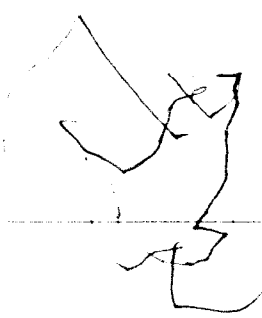
Dear Mr. Thompson:

I have been retained by and represent a majority of homeowners within the Cedar Ridge Subdivision, who also own an interest in Cedar Ridge Distribution Company (hereafter referred to as the "Company") and the water that services each homeowner/member.

On or about August 9, 2010, you delivered to each Company member a letter demanding payment of \$970.00 from each member. This letter shall provide notice that the majority of members, whom I represent, reject this assessment and refuse payment of the same.

Moreover, pursuant to Utah Code Annot. § 16-6a-1602 every member is entitled to inspect and copy any of the records of the non-profit corporation. As the majority members' attorney, pursuant to UCA § 16-6a-1603, I hereby demand the following Company documents be presented to my office for inspection and copying no less than five (5) business days from receipt of this letter nor more than ten (10) days:

- a. Copy of Company Bylaws and any amendments;
- b. any and all resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- c. the minutes of all members' meetings for a period of three years;



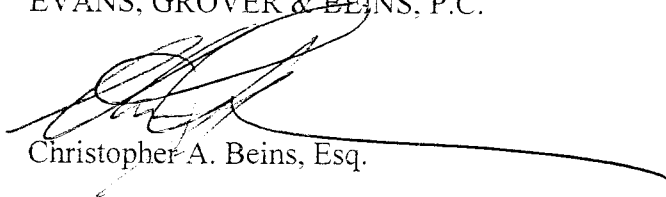
- d. the records of all action taken by members without a meeting, for a period of three years;
- e. all written communication to members or other entities for a period of three years;
- f. a list of the names and business or home addresses of its current directors and officers;
- g. a copy of its most recent annual report delivered to the division under Section 16-16a-1607;
- h. all financial statements, records, spreadsheets, contracts or other agreements of or affecting the Company for the last five years;
- i. all tax returns filed with the Internal Revenue Service and Utah Tax Commission for the last three years.

It is not difficult to surmise Mr. Thompson that members of the company have serious reservations of how the company has been operated since inception. As explained above, corporate members have every right to expect transparency in corporate records.

Please contact me at the telephone number listed on the letterhead above to arrange a time to deliver the aforementioned documents.

Truly Yours,

EVANS, GROVER & BEINS, P.C.



Christopher A. Beins, Esq.

CAB:ag

Cc: Members