

Att: Pam Skaggs

Please place in file # 81-07182

STATEMENT OF Intent and clarification of a paragraph II in a document titled "Sales Agreement:"

I, Darwin Carr, for the purpose of clarification of the intent of the "Buyers" under the wording in the document titled "Sales Agreement" dated April 9, 2003, between Darwin and Monica S. Carr the "Buyers" and Michael Williams and Robleigh Reagher, the Robleigh Trust and Michael's Patriarchal Order, the "Sellers," concerning paragraph II thereof, to wit:

Paragraph II

"The parties understand that paragraph 5 relating to water rights from any well would go automatically under Idaho law by a deed in and for any existing water permits or additional water rights. They shall be assigned independently after the closing of this transaction through the Idaho department of water resources."

The intent of the Agreement with the Sellers was that we the Buyers were going to drill a well as soon as we could on the property we were purchasing from the Sellers. The reason Paragraph II was inserted in the Agreement was to make sure that we, as the Buyers, were given the right to drill a well and have rights to the water from that well as we wanted it spelled out in the Sales Agreement because our understanding of California law restricted the right to drill for water if not granted to the buyers in any sales agreement or warranty deed. If the sellers had not covenanted for the right in a sales agreement or deed then the buyers had no right, and therefore the buyers could not appropriate water and had no right to drill a well or take water from that well.

We, the Buyers understood that we had no rights with respect to the spring on the Williams property which was adjacent to the property we were purchasing; nor did we believe that we, as the Buyers, had access to said spring nor that they would have an obligation to transfer any water right to us with regard to that spring by filing with the Idaho Department of Water Resources or any other agency after the closing of the sale of the property to us. The word "well" in paragraph II was intended to make it clear that it was the intent of Agreement to preserve in the Buyers rights with respect to a "well" and not a spring. The Agreement did not use the word "spring" nor is there any wording in the Agreement that mentions a "spring" or spring water.

In the event that anyone attempts to interpret paragraph II to include a right to the Williams spring, then such person is not being truthful and is either grossly mistaken or deliberately misinterpreting the Agreement.

Darwin Carr



6/24/2009

notarized copy to follow