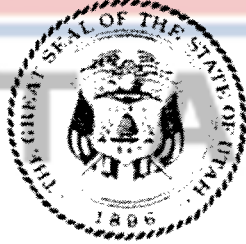


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STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



MARK L. SHURTLEFF
ATTORNEY GENERAL

RAYMOND A. Hintze
Chief Deputy

Protecting Utah · Protecting You

KIRK TORGENSEN
Chief Deputy

January 26, 2010

Kenneth A. Okazaki
Jones, Waldo, Holbrook & McDonough
170 South Main Street, Suite 1500
Salt Lake City, UT 84101

Rodney R. Parker
Snow, Christensen & Martineau
10 Exchange Place, Eleventh Floor
P. O. Box 45000
Salt Lake City, UT 84145

James C. Bradshaw
Brown, Bradshaw & Moffatt, LLP
10 West Broadway, Suite 210
Salt Lake City, UT 84101

Gentlemen:

Tim Bodily and Jerry Jensen have met with me, after having met with both you and the Special Fiduciary to determine the possibility of settlement along the lines outlined in the Special Fiduciary's proposal to the Court dated June 30, 2009. Their report to me is, "the parties are so close."

It appears to me there is no reason why a settlement cannot be achieved along the lines of this proposal. Some items may need to be tweaked, and others may need to be massaged a little further, but on the whole it appears to me that if the parties are to achieve a settlement the best chance for that is to work from this proposal. If your client has trouble with the fact that the proposal comes from the Special Fiduciary, then let's call it my proposal.

As such, I ask that you meet with your clients to determine if your clients will agree to settlement along these terms within the next 30 days. This matter has gone on long enough. Please do not call me on the 29th day and say that your clients will accept settlement if the following long list of items are changed. I want a final settlement accomplished in 30 days — not a new round of negotiations to commence in 30 days.

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The suggestion of tweaking or massaging the proposal is not an invitation to make wholesale revisions. It is merely my way of saying that the door is not closed to some minor adjustments. My overall goal is to see if we cannot bring this matter to a close within the next 30 days and avoid further litigation and its accompanying exorbitant costs. To do that we must follow the outline of the proposal.

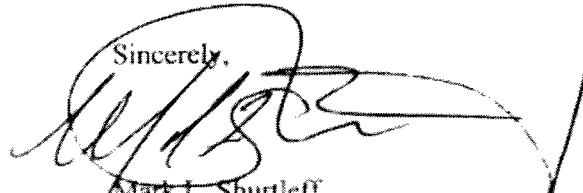
If your clients are not willing to accept this offer, I will assume that they have no intention, or at least do not have the ability, to resolve this matter by settlement and that future settlement negotiations would be futile.

In the event that you are unable to reach a commitment to settle under these guidelines, I believe it is necessary for my Office to support the rule of law which includes supporting those actions of the Arizona Attorney General's Office and the Special Fiduciary which are consistent with Court orders.

Regardless of the Trust matters, I believe that serious issues must also be addressed with the local governments, and we are prepared to seek a disincorporation of the city of Hildale with the Legislature if necessary. Your clients' assistance in addressing those issues is earnestly sought.

If you have any questions about this offer, you may contact Tim Bodily at (801) 366-0375 or Jerry Jensen at (801) 366-0353, directly.

Sincerely,



Mark L. Shurtleff
Utah Attorney General

cc: Bruce R. Wisan
Jeffrey L. Shields
William R. Richards
Roger H. Hoole