

November 18, 2021

Mike Johanson
Manager – Cottonwoods Mutual Water Company
4000 West Old Highway Road
Mountain Green, UT 84040

Dear Mike

Morgan County Cottonwoods LLC (MCC) is owner of a ~2050-acre parcel east of the Cottonwoods. We are investigating positioning a culinary water tank on our property up the draw from Cobble Creek Reservoir. This would be sized to accommodate the remaining development of the Cottonwoods plus MCCs limited development potential. We will build the capacity for any entity who wishes to participate and share the cost of the tank construction and water development with the caveat that they provide required developable access points for MCC and some other items of which they are already aware. Our plan would be to form a not-for-profit entity to finance and build the tank with our neighbors. This effort might extend to a secondary water storage area as these are closely related.

We would also like to participate in the well sources, pipelines, pump stations and controls to fill this tank. Each member of the initial tank ownership group would provide their own water shares leased from Weber Basin Conservancy District. We have identified a couple sources for wells, but what we would really like to do is look at the existing infrastructure to see if there is remaining capacity for additional pumping volume from sources closer to the Weber River and to extend that infrastructure to the tank.

We have no real interest in forming a competing water company so we would like to understand the conditions that Cottonwood Mutual Water Company would need to assume ownership and management of the tank. Our requirement would be to provide service guarantees for the tank financiers so they could build their respective subdivisions with their investment fully accounted for and or reimbursed with hookup fees.

I, Ray Nettleton would manage the construction and financing of the tank on behalf of the tank investment group. I have a construction management degree, 26 years of experience with a focus in industrial and heavy civil construction, and current PMP certification. I have the support of The Wilkinson's, Ted Taylor and Erik Plyer who represent Phase 6 and most of Phase 9 area.

Please share this tentative proposal with your board. We would like to arrange an exploratory meeting and would like to review the existing assets of your system with our engineer. We trust that with our experience and financial capacity we will be treated the same as any developer making a similar proposal.

Sincerely



Ray Nettleton

CC

Certified Mail Attn: Mike Johanson

Via email: Dane Wilkinson, Heidi Dorius, Ted Taylor, Eric Player, John Gailey, Heidi Nettleton, Doug Durbano, Rulon Gardner, Zane Froerer