

January 14, 2022

Board of Directors
Mountain Green Secondary Water Company
4000 West Old Highway Road
Mountain Green, UT 84040

Dear Board Members

Morgan County Cottonwoods LLC (MCC) is owner of a ~2050-acre parcel east of the Cottonwoods. We have formed a consortium of the remaining landowners in the Cottonwoods area with development potential to co-develop water and other infrastructure. We are investigating positioning a secondary water storage reservoir on the MCC property up the Bohman draw per the attached sketch. From our understanding of early system engineering this could take the place of the “regulating reservoir” previously proposed in the Phase 8 area. This location also has the benefit of being able to capture spring runoff. We would propose to make this as large as possible given the topography of the land, engineering constraints and regulations regarding dams. We intend to offer our land at fair market value with some conditions.

We would like to meet with the MGSWC board to discuss a transparent step by step process to obtain will serve letters for our future developments at a fair cost while not harming the service level of the existing members. We believe this is the charter of MGSWC.

Since several of our group expects to farm the majority of their land for the next 2-8 years, we would also like to discuss pre development use of their shares and how these shares could be integrated into MGSWC. We also believe this is an opportunity to settle some of the conflict around water storage rights vs storage location, vs access and payment for water shares being consumed.

With the current state and federal money becoming available we would like to meet with you sooner than later.

Please let us know if you would prefer to meet with or without counsel for this exploratory meeting and what date and time would work.

Thanks

Ray Nettleton – Agent MCC

Cc: Ted Taylor, Eric Plyer, Dane, Wilkinson, Zane Froerer, Doug Durbano, Dino P, Tavis T., Mike J, and the Cottonwood Mutual Board of Directors.

