

Durst Water Company

Your transparent water provider

Durstwatercompany.org

Durst Water Company
704 E 600 S
Kaysville, UT 84037

Sept 8th 2023

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

To: The Cottonwood Mutual Water Company Board of Directors

In response to your August 22nd letter, Durst would like to restate and elaborate on our previous offer from 7/28/23.

- 1.) Durst will provide a first priority storage right to CMWC in perpetuity for 50 Acre-ft of storage.
- 2.) Durst will deed or transfer 81,600 gallons of middle zone storage to CMWC. We are proposing a book value of \$3.25 per gallon of storage, this will make for an equivalent cash offer of \$265,200. In the future after CMWC has determined the optimal level of contingency storage and all CMWC needs are satisfied, Durst would like the option to buy back the available middle zone storage at the same \$3.25 per gallon.
- 3.) Durst will honor the existing lease terms with MGSWC and assume all operational responsibilities including insurance and maintenance immediately upon transfer.
- 4.) Durst has pledged and will stand by our pledge to work in good faith and full transparency with the users of MGSWC to ensure that water delivery is not affected to the extent that Durst Water Company water rights are not infringed.

Durst would like to work with the CMWC Board to ensure that the above items are captured in a sales contract and the majority of the community is satisfied. In addition, Durst would like to offer to assist CMWC in any legal challenge to this sale.

It is clear from state ownership records that Durst owns the majority of the water in the reservoir and therefore should own the underlying ground over any other entity. Any outcome that doesn't guarantee Durst having access to our water will unfortunately require Durst to defend its property rights. As of today, Durst is blocked from using our stored water and CMWC is currently complicit due to past actions. This is an opportunity to remedy the situation.

Thank you for your consideration of this proposal. I hope to meet to further the discussion and finalize the details.

Respectfully

Ray Nettleton (Durst)

Digitally signed by Ray Nettleton (Durst)
DN: C=US, E=ray@rusttopdevelopers.com,
O=Durst Water Company, OU=Durst Water
Company, CN=Ray Nettleton (Durst)
Reason: I am approving this document
Date: 2023.09.08 16:47:44 -06'00'

Ray Nettleton – Manager of Durst Water Company

Cc via email: The Durst Water Company Board