

Greendale Water Company Background

Based on 1977 Articles of Incorporation

Type	Shareholder	Division of Water/ Capital Assessment %	Votes	Representative
Residential	Flaming Gorge Pines	32.32	1	Troy Gale
Residential	Flaming Gorge Acres	29.33	1	DeArmon Batty
Commercial (Collett's Mountain Resorts)	Flaming Gorge Lodge	12.00	1	Kevin Clegg
Commercial (Collett's Mountain Resorts)	Flaming Gorge Meadows	19.16	1	Bill Coulter
Commercial (Camperworld)	Arrowsmith Ranch	7.19	1	Camperworld

Based on 2015 Articles of Incorporation

Type	Shareholder	Shares/ Capital Assessment % ¹	Votes	Representative
Residential	Flaming Gorge Pines	28	28	Troy Gale
Residential	Flaming Gorge Acres	22	22	DeArmon Batty
Commercial (Collett's Mountain Resorts)	Flaming Gorge Resort	22	22	Kevin Clegg
Commercial (Collett's Mountain Resorts)	Flaming Gorge Meadows	20	20	Bill Coulter
Commercial (Collett's Mountain Resorts)	Pine Forest RV Park	8	8	Woody Bair

¹Capital assessments may be adjusted every two years based on annual water usage. Assessments would then be credited to for the prior year.

Roles and Responsibilities of Craig Collett in the Greendale Water Company

- Registered Agent of Greendale Water Company (receives all correspondence from the State/others regarding the GWC)
- Project lead for the new water treatment plant reconstruction project
- Water Treatment Plant Operator/Manager
- Designated meter reader for company
- Determines annual water use and general assessments
- Collett's Mountain Resorts is contracted for GWC's financial management including general accounting and payroll
- Flaming Gorge Acres Board of Directors member

From Greendale Water Company By-Laws 2015

The initial estimate of water use for General Assessments (upon which the initial share allocation was based) shall remain in place through the end of 2016. The average water use by each Division, as a percentage of total water usage, for the period from October 1, 2014 through September 30, 2016 shall be calculated by October 2016 Annual Meeting of the Members. If the average use percentage by any Division varies from the percentages (share allocations) set forth above by three percent (3%) or more, then an adjustment will be made in the 2017 General Assessment to account for that variance in water usage.

For example, if the two-year average water usage for Division A is 18%, then Division A will receive a credit against its 2017 assessments for the excess amount of assessments paid (4%) in 2015 and 2016. Corresponding adjustments will be made to the assessments of the each of the other Divisions, according to the percentages calculated on the actual water usage during that prior two-year period.

The General Assessment percentages (which are based on water usage) for the next two years (i.e., 2017 and 2018 in the example) will then be adjusted to reflect the percentages calculated for the prior two-year period, rounding to the nearest whole number and accounting for rounding errors so that the total equals 100.

This process will be repeated every two years. If the average usage percentage calculated by each Division for the prior two-year period does not vary from the then existing percentages by at least three percent (3%), then no adjustment will be made in the allocation of shares for the coming two year cycle.