

**BRIGHTON ESTATES PROPERTY OWNERS
ASSOCIATION, INC. NOTICE OF AUCTION SALE
OF WATER SHARE**

June 20, 2020

The Board of Directors, on behalf of the Brighton Estate Property Owners Association, Inc. ("POA") is offering an online auction of one share of stock in Midway Irrigation Company ("MIC") representing the right to use water in the amount of 0.45 acre-feet per share, per year (the "Share"). This is the amount that is defined by the State of Utah as the minimum amount needed for a full-time, single-family residence for indoor, culinary usage (no exterior landscape irrigation, etc.). It is also the amount required by Wasatch County as one condition to the issuance of a building permit.

The water rights underlying the shares in MIC have several established points-of-diversion in the Brighton Estates area. However, buyers of BEPOA shares acquire with the share only a right to a certain quantity of water. The share does not also carry with it the right to use any of the existing wells within Brighton Estates or provide access to water lines. In order to actually use this water, the purchaser must also acquire access to water source capacity from the owner of a well, and acquire necessary easements to deliver water from the point of diversion to the intended place of use.

MIC has an approved change application that must be perfected by putting the water to beneficial use. The State Engineer sets dates by which the applicant is required to demonstrate either that the water is in beneficial use or that substantial progress has been made toward doing so in order to obtain further extensions of time. The first such deadline was August of 2011. An extension was granted to August of 2016. Additional extensions are possible, but the conditions for an additional extensions are more demanding as time goes on. Therefore, it is in the shareholders of MIC shares to get their water into use reasonably soon so that the water rights underlying the shares can be perfected under Utah law.

To be eligible to submit bids and to purchase this share, a buyer must:

1. Own real property within Brighton Estates, or generally the Bonanza Flats area.
2. Pay in full the purchase price determined by auction within three (3) banking days of close of bidding via cashier's check.

Water rights and shares with points of diversion in Brighton Estates are limited., and this is an excellent opportunity to gain ownership of this valuable resource. Many Brighton Estates property owners have purchased Shares in the past. The Board determined that a minimum selling price for this share sale would be **\$39,000.00**. Bids will start at that figure, and higher bids will be accepted in minimum bid increments of **\$1,000.00**. Prospective bidders should be advised that all shares in MIC are subject to assessments levied by the MIC.

Interested buyers may submit bids to Tim Callahan, Treasurer, Brighton Estates Property Owners Association, Inc. at **Tim Callahan <emailtim@ymail.com>** beginning now. The final date for submission of a bid is **Monday, July 20 at 5:00pmMDT.**