

Dear Members of Mountain Mutual Water Company,

Mountain Mutual Water Company is a non-profit corporation with the responsibility of providing water to your lot or home in Cripple Creek Mountain Estates. As a lot or home owner, you are a member of this Company, and have a right to water. This Company is in no way related to the "Property Owners Association."

Through the years, Golden Cycle Corporation has managed this Company while they finished the water lines. All lines are now complete. As you know, water is Colorado's most precious commodity. We couldn't have this housing community without water. Golden Cycle has done us a great service by providing and installing one of the best water systems in the area. In addition, Golden Cycle has heavily subsidized Mountain Mutual Water Company during this time so that the budget was balanced each year. They have charged home-owners with only minimal fees for water privileges. ALL OF THIS HAS NOW CHANGED:

At a special election held January 17,1981, you elected a Board of Directors for your water Company. They are:

| | |
|---------------------------|--------------------------------|
| Bill Robinson--3 yr. term | The officers of the Board are: |
| Larry Kinser---3 yr. term | PRESIDENT: Bill Robinson |
| Jim Songer-----3 yr. term | VICE-PRESIDENT: Rudy Arreguin |
| Lou Colstello--2 yr. term | SECRETARY: Larry Kinser |
| Rudy Arreguin--1 yr. term | TREASURER: Jim Songer |

On June 30, 1981, Golden Cycle will close an agreement with our Company. "The remainder of the distribution system, all water rights, water wells, water lines, water tanks, necessary valves, pumps and other installed water system equipment located within Cripple Creek Mountain Estates Subdivision, including a building, office equipment, and files, etc...will be conveyed by Golden Cycle Land Corporation to our Company. All elements will be conveyed free and clear with no debt involved. In addition, the Corporation has committed to provide at cost upon use requirement, up to .75 CFS of water to our Company. This amount is adequate for our subdivision, residential use.

ON THIS DATE SUBSIDY FROM GOLDEN CYCLE WILL STOP!

This means we as Mountain Mutual Water Company must raise our own operational funds from that date forward. We as a Board of Directors have approved a budget necessary to maintain your water system, its personnel, vehicles and office expenses.

According to the articles of Incorporation and By-Laws of the Company, we the Board, have approved the following fees to raise these needed funds:

USER FEE: \$20 per month to be billed monthly
(a user is anyone connected to the system)

AVAILABILITY FEE: \$75 per year to be billed January 1, due no later than April 1
(Water is now available to every lot. This fee is hereby assessed to every member not yet connected)

ALL FEES ARE RETROACTIVE TO JANUARY 1, 1981

TAP FEE: All tap fees have been paid

Please be prompt in paying these fees as we need good operating capital reserves before June 30.

Send Check to:

Mountain Mutual Water Company
P.O. Box 346
Cripple Creek, Colorado 80813

BY WAY OF EXPLANATION

There is now 60-plus miles of activated water lines in Cripple Creek Mountain Estates. Golden Cycle Corporation has expended \$64,000 in 1979, and \$71,000 in 1980 of their own money to cover the operational expenses of the water Company. The 1981 budget has been projected at \$87,990, an increase from \$76,000 in 1980. These expenses cover maintenance, payroll, insurance, taxes and other related business expenses. As you can see, this Company cannot operate or provide water without charging the previously mentioned fees.

Because of our commitment to operate within a balanced budget, we as a Board intend to pursue a collection policy in the event of non-payment. The Articles of Incorporation and By-Laws provide that the Board can discontinue water memberships in the event of non-payment of fees. If you lose your membership because of non-payment of fees, there is no obligation to reinstate your water rights. Your water membership is the ^{MOST}valued part of your property. Without water rights your property has little or no value.

Please remit your fees as indicated so that the Board may operate the company properly. It is our intention to supervise the operation of Mountain Mutual Water Company in your best interests. Remember:

THIS IS YOUR WATER COMPANY

Sincerely,
The Board of Directors
Mountain Mutual Water Company
by Larry Kinser

Secretary