



# WATER SETTLEMENT NEWS

MARCH 2009

Why is this important?

What does this mean for the neighborhood?

How do I get my questions answered?

How can I help?

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## *Agreement Highlights:*

- Full Contingent Debt Relief
- Emergency Water Interconnect
- Drilling Reclamation
- Agreed upon Drilling Sites

## *We have reached an agreement.*

Representatives from your HOA and Consolidated Metropolitan District are pleased to announce that after 4 long years of negotiation, we have signed an agreement that will bring to an end the doubt and uncertainty about a number of issues for our community.

This newsletter is not intended to outline in detail the exact terms of the agreement. You will need to review the agreement in its entirety and then decide whether you will or will not ratify it. We cannot overstate the importance of ratification.

## *The next step requires your participation.*

Within the next two weeks, you will be receiving a complete copy of the agreement, including all the exhibits and attachments which outline the various elements of the settlement. We are now in the stage of the process defined in the agreement as "ratification." For this agreement to take effect, at least 205 or 67% of our 305 lots must ratify the terms. You will be provided with a specific form that accomplishes this. Each person electing to ratify the agreement is also electing to vote in favor of revised community covenants that will benefit and burden all lots if passed and are necessary to implement the terms of the settlement.

It is the hope of both Boards (HOA and Metro) that we can rely on you to help us get this done. The sooner we reach Ratification, the sooner the Agreement

is in full force. We must complete ratification by no less than 205 lots no later than October 25, 2009.

When you receive your packet containing the Agreement, Exhibits and other explanatory documentation, you should be prepared to first read it thoroughly. Most residents have been aware that this issue has been in negotiations for some time. Others of you may be hearing of this for the first time.

We all lead very busy lives. Nonetheless, we cannot overemphasize the importance of this to your community and your properties. Ratification is the path by which this settlement agreement is to become fully binding.

## Why this is important ....

Many people have asked:  
"What is difference  
between having the  
agreement and not having  
it?"

### WITHOUT RATIFICATION (the status quo)

- NO NOTICE OF  
OUTSIDER DRILLING
- NO AGREED  
RECLAMATION  
STANDARDS
- \$4,000,000  
CONTINGENT DEBT  
STAYS AND BLOCKS  
REFINANCE OF BONDS
- NO EMERGENCY  
INTERCONNECTIONS
- NO AGREED UPON  
WELL SITES
- NO DEDICATED WELL  
SITES OF OUR OWN

### WITH RATIFICATION

- ❖ Total forgiveness of  
\$4,000,000 contingent  
debt
- ❖ Agreed upon well sites
- ❖ Dedicated well sites for  
our own use
- ❖ Emergency  
interconnections at  
every well site
- ❖ Notice prior to Drilling  
and approval of drilling  
plan
- ❖ Agreed upon hours of  
operation of drilling  
sites
- ❖ Reclamation standards  
following drilling in  
conformity with BMR  
Design Review Standards

Along with acquiring the Subdivision property, the Developer obtained the Denver Basin aquifer water rights underlying the Subdivision property. This water had been decreed in two previous water court cases and was far in excess of the amount needed to service the needs of the development. Therefore, the Developer granted to the Consolidated District sufficient amounts of Denver Basin water for the Subdivision needs and sold the "excess" Denver Basin water to third parties. The conflict which arose as a result of the sale of the Bell Mountain Ranch water to third parties, above all else, has been a conflict between uses

### Other considerations...

As we progressed with the negotiations, we succeeded in addressing concerns of residents regarding drilling of wells. This agreement provides for agreed upon locations, addresses the installation of Emergency Interconnections to any

commonly associated with residential life and use of the land for the commercial withdrawal and export of water.

This agreement provides for agreed upon locations for wells, addresses the installation of Emergency Interconnections to any new well drilled in the neighborhood, and provides for reclamation of the land after the completion of drilling.

Additionally, approximately \$4 million in contingent debt is being forgiven by the developer. This debt was interfering with our ability to refinance our outstanding bond obligations. With full ratification, this debt is extinguished.

new well drilled in the neighborhood, and provides for reclamation of the land after the completion of drilling.

The Agreement also requires adoption of amendments to our community Declarations necessary to implement the settlement.

## *Information to Assist You*

Once the copies of the Settlement Agreement are delivered to you and you have had some time to review it, it is our plan at this time to hold a number of informal meetings to answer your questions and address any concerns arising from your review. These meetings will try to accommodate your schedules and counsel will be present to address legal questions. A notary will be available if you elect to ratify at that time.

Babysitting will be made available at certain meetings, so watch for announcements of those specific meetings with that service available to you. They will be held at the Dassel Barn and we will publish notices of the dates, times and services provided. Please watch for these announcements.

### **WHO TO CALL:**

*For questions on the agreement or meetings:*

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