

**Memorandum of Understanding Between
Somerset Homeowners Association and
Somerset Estates Homeowners Association
Regarding Continuing Services
As of October 24, 2019**

Purpose

The purpose of this Memorandum of Understanding (the "2019 MOU") is to formalize agreement between the Somerset Homeowners Association ("SHOA") and the Somerset Estates Homeowners Association ("SEHOA") regarding (1) the continuation of certain services (the "Continuing Services") to be provided by SHOA to SEHOA from January 1, 2020 until December 31, 2020 (the "Term"), (2) the allocation of SHOA's expenses (the "Comingled Expenses") incurred in connection with the Continuing Services, and (3) the invoicing and payment terms and procedures for the Comingled Expenses.

Continuing Services and Comingled Expense Allocations

During the Term, SHOA agrees to continue to provide to SEHOA the Continuing Services, and SEHOA agrees to reimburse SHOA for the Comingled Expenses, as listed and described in Schedule A below.

Schedule A: Continuing Services and Comingled Expenses	
Offsite storage facility	SHOA will provide to SEHOA, or cause to be provided at Sugar Mill Self Storage, offsite storage during the Term. In exchange, SEHOA will reimburse SHOA for 53% of its total expenses related to its offsite storage facility with Sugar Mill Self Storage.
Trash removal & dump fees	SHOA will provide to SEHOA, or cause to be provided by Western Disposal, trash removal and dumping services during the Term. In exchange, SEHOA will reimburse SHOA for 45% of its total expenses related to trash removal and dump fees charged by Western Disposal.
Utilities (electricity)	Xcel Energy electricity expenses billed to SHOA and attributable to SEHOA will be passed through to SEHOA as follows: <ul style="list-style-type: none"> (i) all electricity expenses billed to SHOA at electrical meters located in Somerset Estates will be billed to SEHOA; and (ii) 67% of electrical expenses associated with the electrical meter at 8302 Sawtooth Ln Bldg Irr (Premises Number 301126274) will be billed to SEHOA. For reference, a list of electrical meters in Cottonwood Hills and Somerset Estates, including Xcel Energy Premises Numbers and Identifiers, is shown in Exhibit A.
Utility location	SHOA will bill to SEHOA any utility location expenses incurred by SHOA and attributable to SEHOA.
Ditch water	Ditch water expenses billed to SHOA and attributable to SEHOA will be passed through to SEHOA as follows:

	<ul style="list-style-type: none">(i) 80% of any administrative expenses or assessments billed to SHOA by the Boulder & Left Hand Ditch Company and the Boulder & White Rock Ditch Company will be billed to SEHOA;(ii) 80% of any assessed charges billed to SHOA by the Northern Colorado Water Conservancy District for units of Colorado-Big Thompson Project water;(iii) 80% of any expenses billed to SHOA from suppliers of leased ditch water during the Term will be billed to SEHOA;(iv) 42% of any expense billed to SHOA to maintain or repair the irrigation pump located in the West Pond will be billed to SEHOA; and(v) 94% of any expense billed to SHOA to maintain or repair the transfer pump located in the West Pond will be billed to SEHOA. <p>The parties hereby agree that they will collaborate in good faith on any decisions relating to leasing ditch water during the Term.</p> <p>For clarification, SEHOA will not be responsible for any water expenses charged to SHOA by Left Hand Water District.</p>
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Preparation of Comingled Expense Allocations; Invoicing

As soon as practicable following the completion of SHOA’s monthly accounting procedures, SHOA’s Property Manager (Al Orendorff) shall provide to SHOA and SEHOA an estimate of the Comingled Expenses for that month (with such estimate being referred to as the “Initial Estimate”). SHOA and SEHOA shall then review the Initial Estimate and either approve it or discuss and agree on any appropriate changes. Once modified and agreed, the Initial Estimate shall become the “Final Expense Allocation” for that particular month.

After a Final Expense Allocation has been completed, the SHOA shall prepare and present to SEHOA, or cause its Property Manager to prepare and present to SEHOA, an invoice for SEHOA’s portion of the Final Expense Allocation in accordance with Exhibit A. SEHOA shall then render payment as soon as practical, and in any event within 14 days from the invoice date for the amount shown on the invoice.

No Release of Claims

This 2020 MOU between SHOA and SEHOA does not resolve all disputes between the parties and shall not constitute a release of any claims, whether past, present or future, and whether known or unknown. The scope of the 2020 MOU is limited to the items enumerated in the paragraph entitled Purpose, and does not address, and shall in no way constitute, a compromise of SEHOA’s claimed interest in any other real property, including (i) the Water Defense Fund, (ii) shares to water rights or shares in legal entities

which hold water rights (including any consideration received from the sale, exchange, disposition or similar transaction involving any such water shares or rights), (iii) units in Colorado-Big Thompson Project water (including any consideration received from the sale, exchange, disposition or similar transaction involving in any such units), or (iv) outlots (including any consideration received from the sale, exchange, disposition or similar transaction involving in any such outlots).

This MOU supplements the original MOU dated 10/28/18 and is not intended to replace any provisions of the original except as noted.

The undersigned signatures and date indicate agreement with this 2020 MOU.

Somerset Homeowners Association

By: Sue Grampp
Sue Grampp
President

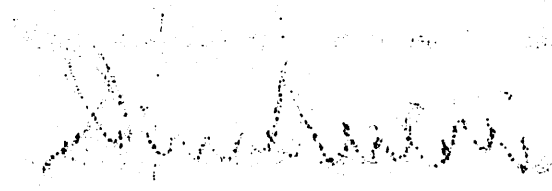
11 Dec 2019
Date

Somerset Estates Homeowners Association

By: Marc Arnold
Marc Arnold
President

10 DEC 2019
Date

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Exhibit A: Xcel Energy Utility Meters and Expense Allocations by Subdivision

Premises Number	Premises Identifier	Expense Allocation	
		SHOA	SEHOA
<u>Cottonwood Hills</u>			
301084003	8302 Sawtooth Ln	100%	0%
301126274	8302 Sawtooth Ln Bldg Irr	33%	67%
301256698	6599 Longview Dr Bldg Spri	100%	0%
301385865	8300 1/2 Niwot Rd	100%	0%
301386768	8495 Pawnee Ln	100%	0%
301688678	8493 1/2 Greenwood Dr Bldg Ligh	100%	0%
<u>Somerset Estates</u>			
300812345	6345 Somerset Dr	0%	100%
300933867	8467 1/2 Firethorn Ct Bldg Entr	0%	100%
301114292	8398 Strawberry Ln	0%	100%
301416268	6301 Snowberry Ln	0%	100%
301536468	8199 1/2 Cattail Dr Bldg Entr	0%	100%
301714235	6361 Snowberry	0%	100%
301860953	6521 Somerset Dr	0%	100%
301863842	6200 Somerset Dr	0%	100%
301988044	8075 1/2 Bellflower Ct Bldg Entr	0%	100%
302011671	6490 Coralberry Ct	0%	100%
304012010	# Pump 6448 Somerset Dr Pump	0%	100%