

**Somerset Estates HOA (SEHOA) and  
Somerset HOA (SHOA) Joint Board Meeting  
Niwot Fire Station  
September 25, 2018**

**1. The meeting was called to order at 7:30 PM.**

Ground rules were established that the meeting would not be electronically recorded and that homeowners present would be offered the opportunity to speak for 3 minutes at the conclusion of each topic on the agenda.

**2. Quorum – All Directors were present**

**SEHOA Board Members in Attendance**

Marc Arnold, President (MA)

Anthony Chirikos, Vice President (AC)

Paula Hemenway, Treasurer and Note taker (PH)

Susan Reilly, Secretary (SR)

Kip Sharp, Member (KS)

**SHOA Board Members in Attendance**

Chad Copenhaver, President (CC)

Keith Moskowitz, Vice President (KM)

Larry Buster, Treasurer (LB)

Sue Grampp, Secretary (SG)

Susan Rona, Member (SRo)

**3. Approval of August 14, 2018 Joint Executive Board Meeting minutes**

For SEHOA, motion to approve by PH, seconded by SR, approved unanimously

For SHOA, motion to approve by CC, second by LB, approved unanimously

**4. Reconcile Draft SEHOA 2018/2019 Action Plan (Aug 14 Revision) with SHOA Action Plan**

CC noted that SHOA has received a message from MA indicating that SEHOA intends to move up a quiet title action on the common properties in the Estates. CC assured the SEHOA board that the SHOA board understands SEHOA's concerns about the ownership of these common properties, considers the proposed Amended Declaration to be a draft, and is in the process of revising the language that is of concern to SEHOA after getting perspective from its attorney. MA agreed that CC may share the letter from Scott Osgood, attorney for SEHOA, with the SHOA attorney.

SHOA is working on getting its declaration vote process completed by first week in December.

Topics of Discussion -

- Whether SEHOA timeline showing a merger vote in March 2019 was realistic.
- What specific elements need to be included in the Plan of Merger from both a legal and practical point of view, and whether it might make sense to gauge the appetite for merger in the two HOAs before undertaking to develop the Plan of Merger. MA stated that SEHOA's position is that the issues of money, land, and water have to be resolved in a fairly detailed way before SEHOA brings a merger vote to the homeowners.
- The complexity of water rights.

- SHOA board noted that it may not be possible to resolve all these issues by March and also develop a reconciled declaration, merged Articles of Incorporation, Bylaws, etc.
- The benefit of working together to resolve issues where possible and minimizing leakage of funds on legal costs.
- LB suggested that a Master Association be reconsidered.

Comments by SHOA homeowner Nicole Ringelmann: A straw poll won't be helpful; she wants specific information on how money issues will be affected before being asked to vote on a merger.

Questions from SHOA homeowner Greg Wickline: He asked if the 2019 action plan includes an updated reserves study (answer – no) and whether water rights can both run with a parcel of land and be owned outright. (KM noted in response that the water share agreement specifies where water can be used and PH noted that we own transferable shares of a ditch company, not water rights tied to the property.)

Comments from SHOA homeowner Bob Bankston: It'd be good to know the consequences of merger and what we're choosing between in a merger vote. He shared his opinion that some homeowners in Somerset don't want to commit to CCIOA if the merger vote might fail. (CC noted that the exact process for adopting CCIOA is being discussed with counsel.)

#### **5. Presentation and Discussion: 2+2 subcommittee final recommendations**

This committee consisting of AC, SR, LB, and SRo was tasked with developing a methodology to allocate expenses between the HOAs. The committee has agreed on a spreadsheet that allocates the expenses line by line, some based on number of homes, some by irrigated acreage, some by which HOA incurred the expense, some by historical averages, etc. CC asked that the methodology be formally documented. MA agreed that we ask the committee to prepare such a document; however, he said that if SHOA moves to the next step of asking SEHOA to pay current invoices from current dues, then the two HOAs must first account for and SHOA must transfer the SEHOA money held by SHOA. MA noted that the 2+2 analysis reduces the amount owed by SHOA to SEHOA by the amount of monthly expenses paid by SHOA on behalf of SEHOA. After some discussion, there was agreement that we ask the 2+2 committee to 1) document the expense allocation methodology, 2) agree on a plan to reconcile on-going expenses, and 3) propose a reasonable basis (without going through the entire history of accounts) on how the commingled funds might be allocated and paid.

Questions from SHOA homeowner Greg Wickline: What is the starting point to look at the allocation of funds? (Referred to 2+2.) Can we settle upon who owes what year to date in 2018 (answer – yes). Greg suggested we go back to 12/31/17 and divide up funds as of that time, then take into account 2018 YTD. (AC answer - AC said he has done this calculation and will discuss with 2+2.)

Questions from SHOA homeowner Nicole Ringelmann: Can the homeowners get a timeline of when the HOAs can operate separate financially? With the merger vote apparently pushed out maybe six months, she wants to know when SHOA will present a separate budget to the homeowners and when the cash will be divided. (LB answer - this timing needs to be determined.)

Question from SHOA homeowner Bob Bankston: Is the prior reserves study being considered by the 2+ 2 committee? (SRo answer - Committee will note in assumptions how reserves study is treated, if at all.)

Question from SEHOA homeowner Herb McPherson: Can the 2+2 have a recommendation on the cash allocation by the SEHOA budget approval meeting on Oct 23? (SRO answer - That should be fine.)

**6. Discuss Similar New Buyer Statements**

SEHOA has posted a statement for new buyers dated August 15, 2018. This statement is updated as circumstances change. SHOA has a similar statement that will be posted after it is reviewed by its attorney.

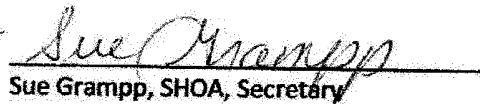
**7. Discuss Joint Defense Agreement regarding legalities concerning Water Rights**

KS and SRO are working on a Joint Defense Agreement or Common Interest Agreement so we can share water rights information. This is an important area where we need more information and discussion.

**Next SEHOA/SHOA Joint Working Meeting: October 23, 2018 at 7:30 PM at the Niwot Fire Station.**

**Meeting Adjourned at 9:30 pm.**

  
Paula Hemenway, SEHOA, Note taker

  
Sue Grampp, SHOA, Secretary