

**Somerset Estates HOA (SEHOA) and  
Somerset HOA (SHOA) Joint Executive Board Meeting Minutes  
Niwot Fire Station  
October 23, 2018**

- 1. The meeting was called to order at 7:30 pm.**
- 2. Quorum - a quorum was established**  
**SEHOA Board Members in Attendance**
  - Marc Arnold, President (MA)
  - Paula Hemenway, Treasurer (PH)
  - Susan Reilly (SR)
  - Kip Sharp, Member (KS)**SEHOA Board Members not in Attendance**
  - Anthony Chirikos, Vice President**SHOA Board Members in Attendance**
  - Chad Copenhaver, President (CC)
  - Keith Moskowitz, Vice President (KM)
  - Larry Buster, Treasurer (LB)
  - Susan Rona, Member and Note taker (SRo)**SHOA Board Members not in Attendance**
  - Sue Grampp, Secretary
- 3. Approval of September 25, 2018 Joint Executive Board Meeting minutes**

Motion from SEHOA to approve minutes, KS made motion, seconded by PH, approved unanimously.  
Motion from SHOA to approve minutes, KM made motion, seconded by LB, approved unanimously
- 4. Review of Ground Rules**

MA noted that homeowners would have an opportunity to comment at the conclusion of each topic on the agenda.
- 5. SHOA Declaration Update**
  - CC reported that SHOA board has been working to get the Declaration out to the community. SHOA board voted at board meeting prior to joint board meeting to send Declaration to homeowners for a vote.
  - SHOA board also voted at this prior meeting to have homeowners vote on CCIOA. CCIOA vote gives the SHOA homeowners the ability to vote on a merger.
  - Both votes will take place on December 12th at the Niwot Inn.
  - MA congratulated the SHOA board saying that it would be great progress. MA noted that the last draft included as SHOA common properties the outlots that are located in Somerset Estates. CC stated that the outlots were included in the SHOA Declaration as that is how SHOA sees things today, which may well change. SHOA added language in Exhibit B that there is an outstanding equitable claim by SEHOA relative to the outlots in Somerset Estates. KM noted that

it was not SHOA's intent to take the land, rather it was an intended as a statement of where things stand. KM assured the SEHOA board on behalf of SHOA that they do not intend to make a claim on the common property located in the Estates, should we continue to be separate HOAs.

- Significant discussion followed regarding Exhibit B of SHOA's Declaration. CC stated that he shared the Osgood (attorney for SEHOA) letter regarding the ownership of the outlots with Repucci (attorney for SHOA), but that it would be expensive for Repucci to research the statements in the letter, so that was not authorized.
- MA noted that SEHOA would like to resolve all issues in a business-like fashion. Discussion was held about the water shares and how they relate to other assets. CC asked that we wait until after the December 12 vote on the Declaration and CCIOA to talk about water.

Question from SHOA homeowners Heidi and Mike Grothus: Does SEHOA have information on the water that it wants to share? KM replied that the problem he's concerned about is whether the water use is limited, relative to flow back to the ditches, etc. MA replied that the information we have will be discussed at appropriate time. Heidi also commented that SHOA had a meeting on October 20 to discuss the Declaration, and that the amount of distrust between the two HOAs was remarkable. MA said that the reason is that the caveat that SHOA put into the Declaration that SEHOA might have an equitable claim to the outlots doesn't satisfy SEHOA.

Question from SHOA homeowner Nicole Ringelmann: Let's say that the Estates decides not to pursue an equitable claim for the outlots, then does the SHOA proposed Declaration commit SHOA to maintain the property? She views this as a risk to her as a homeowner in SHOA. Answer from SR was that yes, that's what the Declaration says. Follow-up question from Nicole was whether SHOA is dependent on SEHOA to take action for Estates to end up owning the land? KM said that is not how to look at it. His position is that if a merger vote fails, then we can all work out the transfer of title to SEHOA. His big concern whether SEHOA owning the outlots means anything with respect to water use.

#### **6. Memorandum of Understanding (MOU) on Financial Assets**

LB reported that the 2+2 committee (LB, SRO, AC and SR) worked as a group through v.3. SHOA worked internally on v.4 and v.5 with LB making some changes to the MOU.

- Term is through December 2018
- LB reviewed the various expense categories and the invoicing procedures
- Allocation and Transfer of Financial Assets
  - \$79,101 has been included as the amount to be transferred - includes allocations through September 2018. This is from both the operating cash account and the reserve fund, not including the water defense fund.
  - The actual cash transfer date was changed from October 31, 2018 to 10 calendar days from signing the MOU.
- Standstill Agreement
  - SHOA proposes that the funds in the water defense fund are not part of this agreement and stay within this account as they are tied to the water shares. SHOA's position was that they did not want this to be tied to a standstill agreement.

- CC stated that the 1999 Legal Defense Agreement between Longview Associates and SHOA has specific provisions about how it can be used; for example, SHOA can't use it to pay its water attorney.
- Liabilities
  - LB proposed that the outstanding liability should be shared.
- SEHOA agreed to review the version proposed by SHOA and respond with any comments.

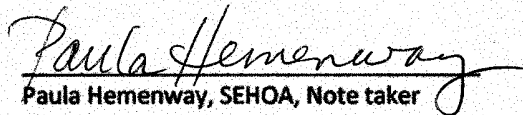
Comment from SEHOA homeowner Herb McPherson: He appreciates the work of the 2+2 and wants to see both boards agree to the MOU as it'd be fantastic to resolve this item.

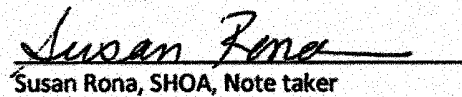
#### 7. Communication Guidelines

We discussed the benefits of good communication between the boards as the best way to reconcile differences. SEHOA would like to be included in the SHOA email distribution list for newsletters, etc. and would like to have access to the new SHOA website. KM suggested that MA send SG an email asking for website access.

**Next SEHOA/SHOA Joint Working Meeting:** SEHOA will get provide possible dates to SHOA.

**Meeting Adjourned at 9:53 PM.**

  
Paula Hemenway, SEHOA, Note taker

  
Susan Rona, SHOA, Note taker