

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
January 12, 2021
By Video Conference, Niwot CO**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:34 PM. Quorum met for Executive Board meeting with Scott Abrahamson (SA), Marc Arnold (MA), Paula Hemenway (PH), Mark Jensen (MJ), and Herb McPherson (HM) present. Due to the coronavirus pandemic, the meeting was held by video conference (Zoom). The Zoom link was posted on the website more than a day before the meeting.

Property Manager present – Al Orendorff (AO)

Homeowners present – Steve Lehan, Peter Withnell, Arlee Kachensky

Water Committee Members present – Anthony Chirikos, John Ryan

ACC member present – Larry Becker

- 2. Approval of Prior Meeting Minutes** – MOTION to approve minutes from the Meeting of the Executive Board on December 8, 2020 made by SA, seconded by HM, no further discussion, approved unanimously.
- 3. Consider Reinstatement of Membership Privileges** – Discussion of status of membership suspension for properties on Coralberry and Strawberry. Having received: 1) verification from the ACC that the nearly all of the landscape maintenance items have been satisfactorily addressed on these properties and the few remaining items will be completed as weather permits but in no event after May 31, 2021, 2) an agreement signed by the Owner and dated December 31, 2020 that the Strawberry Lane property will no longer be offered as a short-term rental, and 3) confirmation from the Property Manager that all fines for violations have been paid, MOTION to restore membership privileges for Strawberry Lane and Coralberry Court that were suspended at the September 8, 2020 Executive Board meeting pursuant to Section 3.4.4 (11) of the Declaration for Somerset Estates made by SA, seconded by HM, no further discussion, approved unanimously.

No new fines will be levied for these specific violations, with the exception that failure by the Owner to resolve the remaining items as agreed or to honor the short-term rental agreement, including occupancy related to any previously made reservation, will be deemed a “continuing violation” as described in the SEHOA Enforcements and Fines Policy and will be subject to reinstatement of the \$400/month fine per violation. Special assessment ballots received for these two properties will be included in the tally. Larry Becker will send letter to document the remaining ACC items.

- 4. Property Manager’s Report and Landscaping Contracts** – Pond 3 has a leak just below the concrete apron. Dubs will look at it and make a recommendation. AO is concerned about water availability next year from municipalities, so we should deal with all known leaks prior to next season. The cottonwoods behind pond 2 will be removed. We have meetings set up on January 15 with someone that treats reeds and vegetation in the ponds and streams and with an arborist to look at spruces next to monuments and trees near waterfall. Holiday lights are down and back in storage. Repaired issue with lights on large monument at Hwy 52 on east side. Contacted Xcel Energy and Western Disposal to transfer billing from SHOA to SEHOA. Need to approve RSL and SaveATree landscaping bids for 2021. MOTION to approve the SaveATree contract for \$7,733 (including 7% prepay discount) made by MA, seconded by PH, no further discussion, approved unanimously. MOTION to approve the RSL contract not to exceed \$25,800 made by PH, seconded by HM, no further discussion, approved unanimously.
- 5. Treasurer’s Report** – HM is awaiting final financial documents to produce the 2020 year-end report. Please see the attached report that was provided shortly after the meeting. He wants to review the general ledger (GL) accounts used for each expense. MA stated that we’d like to be able to track our progress against the

long range plan (LRP) starting in 2021. The LRP separates operating and capital expenses. HM suggested that MJ help redesign the treasurer's report for 2021.

6. **Special Assessment: Tally Votes** – MA appointed homeowners Steve Lehan and Peter Withnell to tally the votes. A total of 73 eligible votes were cast out of 89 lots, or 82%, well above the required quorum of 30%. One returned ballot was ineligible because the return address was removed. A special assessment of \$5000 was passed with approval by 82.2% of votes cast which exceeded the requirement of approval by 67% of votes cast. The full results are: \$15,000 = 15 votes; \$10,000 = 12 votes; \$7500 = 13 votes; \$5000 = 20 votes; No special assessment = 13 votes. (Note, a vote "FOR" any of the higher level assessments was counted as a vote "FOR" all lower assessments). We are pleased with the response and the successful passage of a special assessment. The \$5000 will be payable as \$2500 on April 1, 2021 and \$2500 on October 1, 2021.
7. **SHOA Water Settlement Agreement** – John Ryan reported that the basic outline of the tentative agreement with SHOA has not changed in terms of split of assets, costs, etc. Some of the detailed issues have been clarified, particularly around liability issues. SHOA is asking for consent of their homeowners to convey water shares. John is hopeful we may be ready to formally execute the agreement by mid-February. MOTION to adopt attached Resolution made by HM, seconded by SA, no further discussion, approved unanimously.
8. **Architectural & Landscaping Standard, Rev 2** – The final draft of revision 2 of the A&L Standards is ready for posting for homeowner review. Larry Becker stated that the revisions came about from the ACC working with the first version of the document. After discussion of some specific topics, the Board agreed that the slightly modified draft will be posted for homeowner comment, with final approval anticipated at the February meeting.
9. **Annual Meeting Date and Budget Process** – Proposed March 16, 2021 as hybrid meeting both in-person and online. Budget for 2021 needs to be approved by the Board at the February 9 Board meeting so can be mailed to homeowners prior to the Annual Meeting. Tentative date for working budget meeting set for Monday, February 1 at 3 PM.
10. **Enforcement Actions** – None active.
11. **Other Business** – SA discussed digital storage options for SEHOA and ACC documents and photos to use as a collaboration storage space. Microsoft One Drive or Box are both \$5/mo/user. SA recommends Microsoft One Drive.

Unanimous agreement to appoint SA as Vice President.

10. **Member Open Forum** – None
11. **Next meeting** – Executive Board meeting on Tuesday, February 9, 2021 at 6:30 PM
12. **Adjourn** - The meeting adjourned at 8:36 PM.



Paula Hemenway, Secretary
January 28, 2021

Somerset Estates Homeowners Association

Treasurer's Report

DECEMBER 2020

	DECEMBER 2020	YTD-ACTUAL 2020	YTD-BUDGET 2020	YTD-VARIANCE 2020 Better/(Worse)	BUDGET 2020
INCOME and EXPENSE SUMMARY					
INCOME					
HOA Dues	\$ -	\$ 240,300.00	\$ 240,300.00	\$ -	\$ 240,300.00
HOA Violations & Fines	\$ 4,500.00	\$ 4,500.00	\$ -	\$ 4,500.00	\$ -
Prepaid 2021 HOA Dues & Special Assessments	\$ 22,225.00	\$ 48,214.41	\$ -	\$ 48,214.41	\$ -
Other Income	\$ 309.00	\$ 2,555.31	\$ 1,000.00	\$ 1,555.31	\$ 1,000.00
Interest		<i>Interest On Capital One Investment Acct. - See Below</i>			\$ 2,000.00
TOTAL INCOME	\$ 27,034.00	\$ 295,569.72	\$ 241,300.00	\$ 54,269.72	\$ 243,300.00
EXPENSES					
Administrative	\$ 6,344.86	\$ 49,803.57	\$ 99,675.00	\$ 49,871.43	\$ 99,675.00
Capital and Pond & Waterfall Repair	\$ 6,313.70	\$ 91,643.70	\$ 15,000.00	\$ (76,643.70)	\$ 15,000.00
Landscape Maintenance & Enhancement	\$ 23,571.05	\$ 87,761.21	\$ 69,300.00	\$ (18,461.21)	\$ 69,300.00
Lights & Fence & Path & Pond Maintenance	\$ 1,685.09	\$ 59,245.08	\$ 43,825.00	\$ (15,420.08)	\$ 43,825.00
Utilities	\$ 2,969.40	\$ 14,339.26	\$ 12,000.00	\$ (2,339.26)	\$ 12,000.00
Water	\$ -	\$ 1,168.93	\$ 3,500.00	\$ 2,331.07	\$ 3,500.00
TOTAL EXPENSES	\$ 40,884.10	\$ 303,961.75	\$ 243,300.00	\$ (60,661.75)	\$ 243,300.00
NET OPERATING INCOME	\$ (13,850.10)	\$ (8,392.03)	\$ (2,000.00)	\$ (6,392.03)	\$ -
BALANCE SHEET					
ASSETS					
Operating/Checking Account					
Bank of the West		\$ 40,269.02			
Capital One Investment Account					
Account (Principal) Balance		\$ 102,364.02			
TOTAL ASSETS		\$ 142,633.04			
LIABILITIES and CAPITAL					
Accounts Payable (pre-paid Assessments)		\$ (675.00)			
Capital Stock and Retained Earning		\$ 143,308.04			
TOTAL LIABILITIES & CAPITAL		\$ 142,633.04			
* Interest~ Capital One Investment Acct. @ 1.75%	\$ 46.26	\$ 2,070.61	\$ 2,000.00	\$ 70.61	\$ 2,000.00
* Legal + Professional Fees Re: Resolution of Assets	\$ 1,131.00	\$ 18,701.24	\$ 65,000.00	\$ 46,298.76	\$ 65,000.00
* Legal & Accounting & Property Mgr.	\$ 2,980.00	\$ 15,067.50	\$ 19,250.00	\$ 4,182.50	\$ 19,250.00
* Mowing	\$ -	\$ 16,265.00	\$ 17,800.00	\$ 1,535.00	\$ 17,800.00
* Irrigation/Ponds/Pumps Maintenance & Repair	\$ 15,727.23	\$ 145,208.79	\$ 25,500.00	\$ (119,708.79)	\$ 25,500.00
* MOU Split w/SHOA	\$ 279.43	\$ 17,093.00			
Dues & Fines Outstanding - \$0.00 / 0 Homes	0 - 30 Days \$0.00 / 0 Homes	30 - 60 Days \$0.00 / 0 Homes	60 - 90 Days \$0.00 / 0 Homes	Over 90 Days \$0.00 / 0 Homes	
- Pond #8 Repair					
- Irrigation, Snow Removal and Flowers					
- Pond & Fence Maintenance					
- Pond #8, Irrigation, Pond #7					

RESOLUTION OF THE EXECUTIVE BOARD
OF SOMERSET ESTATES HOMEOWNERS ASSOCIATION ("SEHOA")

WHEREAS from November 22, 1988 (the date of the vote on the attempted merger between Hillside Estates Homeowners Association and Cottonwood Hills Homeowners Association) until March 30, 2018, SEHOA homeowners were part of a single homeowners association (the "Combined HOA") which was combined with what is now known as the Somerset Homeowners Association ("SHOA"), and pursuant to that Combined HOA shared expenses, resources and operations in connection with the management and operation of common areas within each neighborhood;

WHEREAS on May 31, 2017, pursuant to a lawsuit relating to budgeting issues within the Combined HOA, a court of competent jurisdiction declared that the 1988 merger that created the Combined HOA was invalid, thereby invalidating the merger;

WHEREAS after the declaration of invalidity of the 1988 merger, homeowners within SEHOA organized and formed SEHOA pursuant to CCOIA, and thereafter SEHOA and SHOA entered into two interim agreements to share expenses and resources so that each association could continue to manage common areas within its boundaries;

WHEREAS representatives from SHOA and SEHOA have negotiated a draft agreement (the "Agreement") fully and finally resolving their respective ownership interests in certain assets and rights and provide for the transfer of title to achieve the ownership allocations identified in the Agreement that are needed to fulfill each association's obligations to owners within their boundaries relating to maintenance of common areas and related other issues.

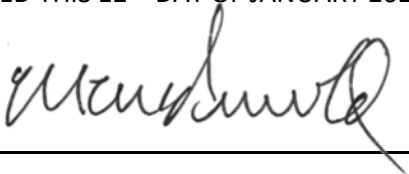
WHEREAS the Water Committee of the SEHOA Board has kept the Board advised of these negotiations over the past year, and has provided the Board with a draft of the Agreement that has been agreed by representatives of SHOA.

NOW, THEREFORE, IT IS HEREBY

RESOLVED that the Board has reviewed the terms of the Agreement relating to sharing of certain expenses, division of water shares and units, clarity on ownership of common areas, and the granting of an easement to SEHOA respecting Pond 1 so as to allow SEHOA to continue to access water needed to maintain common areas within its boundaries, and has UNANIMOUSLY DETERMINED that the terms of the proposed Agreement are fair, reasonable and equitable to both SEHOA and SHOA; and

RESOLVED that the Board, after having reviewed the Agreement and after having consulted with our retained professional advisors (including counsel with water rights expertise and our retained water engineering firm) UNANIMOUSLY SUPPORTS the execution of the Agreement, subject to SHOA's approval and execution of the Agreement.

DATED THIS 12TH DAY OF JANUARY 2021.



Marc Arnold, SEHOA President