

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
March 15, 2022
Via Zoom**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:35 PM. Quorum met for Executive Board meeting with Paula Hemenway (PH), Pea Lawson (PL), and Herb McPherson (HM) present. Scott Abrahamson (SA) and Steve Lehan (SL) were absent.

Property Manager present – Al Orendorff (AO)

ACC member present – None

Homeowners present – Anthony Chirikos

- 2. Approval of Prior Meeting Minutes** – MOTION to approve minutes from the Meeting of the Executive Board on February 15, 2022, made by HM, seconded by PH, no further discussion, approved unanimously.

- 3. Approve Amendment to Agreement with SHOA** – An amendment to the June 22, 2021 agreement with SHOA regarding water shares, etc. is needed to handle the title on the 2/3 share of Boulder and Left Hand Ditch Company. John Ryan has worked with the SHOA Board to prepare the attached amendment. HM asked is there any chance that some other exchange of water shares might get us to the same place. PH replied this was considered, but rejected because of the SHOA Board’s requirement that all transfers be voted on by its homeowners.

MOTION to approve attached Agreement No. 1 made by HM, seconded by PL, no further discussion, approved unanimously.

- 4. Treasurer’s Report** – The January and February 2022 Treasurer’s reports are attached. Notice of Delinquency sent to one homeowner for second half special assessment.

5. Property Manager’s Report –

- Boulder White Rock Ditch (BWR) has been moving water since the start of the year. AO met with representatives from Hydrologik, BWR, and the ditch engineering company to review the details of the new meter. BWR asked for an additional sensor and a display. Steel fabrication for flume instead of concrete. Can order materials as no restocking charge if anything changes. Expect installation by end of April. New expected total cost is \$38,667; SEHOA pays half. Still need to add fence and bring power to meter. HM is curious about how Bill, the BWR ditch rider, views the new meter technology. AO said he seems a little skeptical and noted that we still need to take 10” at a time. AO says this will give us much better measurement. Board agreed to proceed with project.
- Pump house near pond 1 bid from GTL at \$7950 to re-roof, patch stucco, and paint. Add \$2900 to add new door frame and doors. Might be \$1200-1400 to use existing frame. Waiting for SHOA to approve project. Board is okay with up to \$4000 SEHOA cost (we pay half); further costs to be discussed.
- Path paving – Bid from DACS was higher than expected. Will get bids from Superior Aggregate and Tellez Concrete.
- GTL will start on separating the irrigation lines soon. Will finish filling holes related to the new transfer line.
- Aquatics Environmental – We need to get on the schedule to treat streams.

- Need cost from GTL on lighting to Strawberry monuments. Rosewood Electrical hasn't started yet on the monument electrical repairs. This work is expected to start in early April.
 - GTL provided an updated version of operating manual to SA.
 - AO looked at some of the ponds with Dubs. Gash in pond 3 liner where large cottonwood was removed. Also found some liner holes in pond 2 at the far end near wet well and near exit stream from pond 2 to pond 3. Will be repaired at cost of \$6-8000 before we start pumping water from pond 1.
 - Trees at Longview and Bellflower – Discussed taking a couple of large trees out to reduce shade and ice on corner. AO to meet with ACC members to discuss further.
 - PO Box – HM thinks it's helpful to have a separate address for SEHOA alone. AO to renew.
6. **Annual Meeting – March 29, 7 pm** – HM thinks it better to get information from the Fire Marshall to disseminate through What's Up, rather than in-person at the meeting. Need to secure a laptop with a microphone to use for those that attend meeting by Zoom, although might be able to use a phone. PL will work with Melissa Koller on the social hour. PH to draft slides for the 2021 report.
 7. **Insurance Review** – PH presented some insurance renewal options. Agreement to increase deductible on USLI property coverage from \$2500 to \$10,000. Plan to increase coverage of fences to \$220,000, remove coverage of \$4000 light pole, and add coverage of irrigation/sprinkler system of \$30,000. Rich Ban of Anderson-Ban is looking for a new \$10 million umbrella policy as current company is now limiting coverage to \$5 million. PH to work with Mr. Ban on all policies with intent of not exceeding 2022 budget of \$8500.
 8. **ACC Update** – No update.
 9. **Social and Welcome Committee Update** – Starting to collect directory forms. Will continue with welcome baskets after the Annual Meeting.
 10. **Road Paving Update** – No update.
 11. **Other Business** – None
 12. **Member Open Forum** – Anthony Chirikos noted that the large boulder near pond 3 facing the street is almost completely obscured by vegetation. Would be nice to expose more.
 13. **Next meeting** – Executive Board meeting on Tuesday, April 19, 2022 at 6:30 PM. Location and format TBD.
 14. **Adjourn** - The meeting adjourned at 7:51 PM.

Paula Hemenway

Paula Hemenway, Secretary
March 21, 2022

Amendment No. 1

THIS AMENDMENT NO. 1 is made and entered into this ____ day of March, 2022, by and between the Somerset Homeowners Association (“SHOA”) and the Somerset Estates Homeowners Association (“SEHOA”), (collectively, “the parties”), each of SHOA and SEHOA being common interest communities formed and organized pursuant to the Colorado Common Interest Ownership Act (“CCIOA”). This Amendment No. 1 amends and modifies the Agreement dated as of June 22, 2021 between SHOA and SEHOA “June Agreement”).

NOW, THEREFORE, for good and valuable consideration, the parties hereby agree as follows:

1. **BLH Share**. In the June Agreement, the parties agreed that the 2/3rd share of Boulder and Left Hand Ditch Company (the “BLH Share”) would be owned by SEHOA. For administrative purposes, SEHOA has requested, and SHOA has agreed, that the parties will forego the process of formally transferring ownership of the BLH Share to SEHOA, and that SHOA will continue to be the record title owner of the BLH Share until such time as SEHOA notifies SHOA that it wishes to transfer the BLH Share (whether to SEHOA or to any other person or entity). The parties further agree that the BLH Share certificate shall be physically held by SEHOA, and the BLH Share shall be held exclusively for the benefit of SEHOA, and that SHOA shall not be permitted to sell, convey, lease, pledge or otherwise transfer or encumber the BLH Share without the express written consent of SEHOA. SEHOA shall reimburse SHOA for the cost of the annual ditch company assessments for the BLH share while it continues to use the share; such reimbursement shall be due and payable by SEHOA within 15 days after written notice from SHOA. SEHOA shall have the right to lease, transfer, pledge, encumber or dispose of the BLH Share at any time in its sole discretion in a manner that is consistent with the obligations set forth in the June Agreement, and SHOA agrees to cooperate and execute any documentation reasonably required to complete such transactions. All costs attributed to the sale, lease, or transfer of the share including legal expenses incurred by SHOA (provided, however, that SHOA shall notify SEHOA prior to engaging counsel to represent it in connection with such matters) shall be the paid solely by SEHOA, or, if paid by SHOA, shall be reimbursed by SEHOA to SHOA within 15 days of payment thereof by SHOA or as part of the annual evaluation of water use cost accounting in Section 5 of the June Agreement, at the discretion of SHOA. All proceeds from any lease, sale or other disposition of the BLH Share shall be paid solely to SEHOA, or, if paid to SHOA, shall be delivered to SEHOA within 15 days after receipt thereof by SHOA. SEHOA shall be permitted to use the water generated by the BLH Share in any manner as it determines, and SEHOA presently anticipates that the water attributable to the BLH Share will continue to be used in the same manner as it has been since the acquisition of the BLH Share by the combined HOA. The water yield from the BLH Share shall be attributed to SEHOA under Section 5 of the June Agreement. The parties further agree to cooperate with each other in the event that either party desires to lease or purchase additional water from the BLH ditch. If a lease of water by SEHOA from the BLH ditch requires SHOA to be the lessee of such water, SEHOA shall provide SHOA with the amount of such lease or other required payments prior to the date on which they are due so that SHOA can make the lease or other payments to the lessor or other recipient.

2. **Indemnification**. SEHOA hereby agrees to defend, indemnify and hold harmless SHOA from and against any and all claims, demands, actions or lawsuits brought against SHOA by any party (other than an SHOA homeowner) arising out of or relating to the use of the water generated by the BLH Share. SHOA shall provide written notice to SEHOA of any such actions

or claims, and SEHOA shall have the right and the obligation to defend and resolve, at SEHOA's sole cost, any such claims.

3. Counterparts. This Amendment No. 1 may be executed by facsimile or electronic signature and in multiple counterparts, each of which is deemed an original, but all of which together constitutes one and the same document.

SOMERSET HOMEOWNERS ASSOCIATION

BY: Sue Grampp

TITLE: President

SOMERSET ESTATES HOMEOWNERS ASSOCIATION

BY: Scott Abrahamson

TITLE: President

Somerset Estates Homeowners Association - Treasurer's Report
Operating and Reserve Fund(s)
Balance Sheet and Summary Income Statement
JANUARY 2022

BALANCE SHEET			
As Of January 31, 2022			
	Operating Fund	Reserve Fund	Total
ASSETS			
<u>Operating/Checking Account</u>			
FirstBank	\$ 83,707.84	\$ -	\$83,707.84
<u>Investment/Reserve Account</u>			
Capital One	\$ -	\$ 413,766.34	\$ 413,766.34
TOTAL ASSETS	\$ 83,707.84	\$ 413,766.34	\$ 497,474.18
LIABILITIES & FUND BALANCE			
Fund Balance	\$ 83,707.84	\$ 413,766.34	\$ 497,474.18
TOTAL LIABILITIES & FUND BALANCE	\$ 83,707.84	\$ 413,766.34	\$ 497,474.18

Statement of Revenues, Expenses, and Changes in Fund Balance			
As Of January 31, 2022			
	Operating Fund	Reserve Fund	Total
REVENUES			
HOA Dues	\$ 59,490.00	\$ -	\$ 59,490.00
HOA Violations & Fines	\$ 6,495.25	\$ -	\$ 6,495.25
Special Assessment	\$ -	\$ -	\$ -
Other Misc. Income, Transfer Fees & Interest	\$ 500.00	\$ 175.63	\$ 675.63
TOTAL REVENUES	\$ 66,485.25	\$ 175.63	\$ 66,660.88
EXPENSES			
Administrative	\$ 2,878.99	\$ -	\$ 2,878.99
Landscape Repair & Maintenance & Enhancement	\$ 9,545.45	\$ -	\$ 9,545.45
Lights & Fence & Path & Pond Maintenance & Repair	\$ 407.00	\$ -	\$ 407.00
Water & Utilities	\$ 369.27	\$ -	\$ 369.27
Water Rights	\$ -	\$ -	\$ -
Water System Infrastructure	\$ -	\$ -	\$ -
Water Features (Ponds & Waterfall)	\$ -	\$ -	\$ -
Water System Profession Fees (Project Mgmt. & Ops Manual)	\$ -	\$ -	\$ -
Irrigation System	\$ -	\$ -	\$ -
Hardscape (Fence & Paths & Monuments)	\$ -	\$ -	\$ -
Softscape (Master Landscape Plan)	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 13,200.71	\$ -	\$ 13,200.71
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 53,284.54	\$ 175.63	\$ 53,460.17
TRANSFER BETWEEN OPERATING FUND and RESERVE FUND	\$ -	\$ -	\$ -

Somerset Estates Homeowners Association - Treasurer's Report
Operating and Reserve Fund(s)
Balance Sheet and Summary Income Statement

FEBRUARY 2022

BALANCE SHEET			
As Of February 28, 2022			
	Operating Fund	Reserve Fund	Total
ASSETS			
<u>Operating/Checking Account</u>			
FirstBank	\$ 79,014.23	\$ -	\$79,014.23
<u>Investment/Reserve Account</u>			
Capital One	\$ -	\$ 413,925.04	\$ 413,925.04
TOTAL ASSETS	\$ 79,014.23	\$ 413,925.04	\$ 492,939.27
LIABILITIES & FUND BALANCE			
Fund Balance	\$ 79,014.23	\$ 413,925.04	\$ 492,939.27
TOTAL LIABILITIES & FUND BALANCE	\$ 79,014.23	\$ 413,925.04	\$ 492,939.27

Statement of Revenues, Expenses, and Changes in Fund Balance			
As Of February 28, 2022			
	Operating Fund	Reserve Fund	Total
REVENUES			
HOA Dues	\$ -	\$ -	\$ -
HOA Violations & Fines	\$ -	\$ -	\$ -
Special Assessment	\$ -	\$ -	\$ -
Other Misc. Income, Transfer Fees & Interest	\$ 500.00	\$ 158.70	\$ 658.70
TOTAL REVENUES	\$ 500.00	\$ 158.70	\$ 658.70
EXPENSES			
Administrative	\$ 2,060.78	\$ -	\$ 2,060.78
Landscape Repair & Maintenance & Enhancement	\$ 2,783.75	\$ -	\$ 2,783.75
Lights & Fence & Path & Pond Maintenance & Repair	\$ 430.00	\$ -	\$ 430.00
Water & Utilities	\$ 594.08	\$ -	\$ 594.08
Water Rights	\$ -	\$ -	\$ -
Water System Infrastructure	\$ -	\$ -	\$ -
Water Features (Ponds & Waterfall)	\$ -	\$ -	\$ -
Water System Profession Fees (Project Mgmt. & Ops Manual)	\$ -	\$ -	\$ -
Irrigation System	\$ -	\$ -	\$ -
Hardscape (Fence & Paths & Monuments)	\$ -	\$ -	\$ -
Softscape (Master Landscape Plan)	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 5,868.61	\$ -	\$ 5,868.61
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (5,368.61)	\$ 158.70	\$ (5,209.91)
TRANSFER BETWEEN OPERATING FUND and RESERVE FUND	\$ -	\$ -	\$ -

Somerset Estates Homeowners Association - Treasurer's Report															
Operating Fund															
Income Statement															
FEBRUARY 2022															
	FEBRUARY 2022	YTD-ACTUAL 2022	YTD-BUDGET 2022	YTD- 2022 Better/(Worse)	BUDGET 2022										
REVENUE and EXPENSE SUMMARY															
REVENUE															
HOA Dues	\$ -	\$ 59,490.00	\$ 58,725.00	\$ 765.00	\$ 246,975.00										
HOA Violations & Fines	\$ -	\$ 6,495.25	\$ -	\$ 6,495.25	\$ -										
Transfer Fees	\$ -	\$ 500.00	\$ -	\$ 500.00	\$ -										
Misc. Income	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ (500.00)	\$ 1,000.00										
TOTAL INCOME	\$ 500.00	\$ 66,985.25	\$ 59,725.00	\$ 7,260.25	\$ 247,975.00										
EXPENSES															
Administrative	\$ 2,060.78	\$ 4,939.77	\$ 5,167.00	\$ 227.23	\$ 40,420.00										
Landscape Repair & Maintenance & Enhancement	\$ 2,783.75	\$ 12,329.20	\$ 12,050.00	\$ (279.20)	\$ 73,440.00										
Lights & Fence & Path & Pond Maintenance	\$ 430.00	\$ 837.00	\$ -	\$ (837.00)	\$ 21,540.00										
Water & Utilities	\$ 594.08	\$ 963.35	\$ 1,000.00	\$ 36.65	\$ 22,500.00										
TOTAL EXPENSES	\$ 5,868.61	\$ 19,069.32	\$ 18,217.00	\$ (852.32)	\$ 157,900.00										
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (5,368.61)	\$ 47,915.93	\$ 41,508.00	\$ 6,407.93	\$ 90,075.00										
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>0 - 30 Days</th> <th>30 - 60 Days</th> <th>60 - 90 Days</th> <th>Over 90 Days</th> </tr> </thead> <tbody> <tr> <td>Dues & Fines Outstanding - \$3,136.95 / 4 Homes</td> <td>\$26.95 / 1 Homes</td> <td>\$2.25 / 1 Homes</td> <td>\$3,110. / 4 Homes</td> <td>\$0.00 / 0 Homes</td> </tr> </tbody> </table>							0 - 30 Days	30 - 60 Days	60 - 90 Days	Over 90 Days	Dues & Fines Outstanding - \$3,136.95 / 4 Homes	\$26.95 / 1 Homes	\$2.25 / 1 Homes	\$3,110. / 4 Homes	\$0.00 / 0 Homes
	0 - 30 Days	30 - 60 Days	60 - 90 Days	Over 90 Days											
Dues & Fines Outstanding - \$3,136.95 / 4 Homes	\$26.95 / 1 Homes	\$2.25 / 1 Homes	\$3,110. / 4 Homes	\$0.00 / 0 Homes											
SHOA / SEHOA MOU - Splits = \$0.00															
Reserve Fund															
Income Statement															
JANUARY 2022															
	FEBRUARY 2022	YTD-ACTUAL 2022	YTD-BUDGET 2022	YTD-VARIANCE 2022 Better/(Worse)	BUDGET 2022										
REVENUE and EXPENSE SUMMARY															
REVENUE															
Special Assessment	\$ -	\$ -	\$ 2,500.00	\$ (2,500.00)	\$ 2,500.00										
Interest on Capital One - Reserve Account	\$ 158.70	\$ 334.33	\$ 345.00	\$ (10.67)	\$ 2,070.00										
TOTAL INCOME	\$ 158.70	\$ 334.33	\$ 2,845.00	\$ (2,510.67)	\$ 4,570.00										
EXPENSES															
Fence Repair - Perimeter	\$ -	\$ -	\$ -	\$ -	\$ 16,000.00										
Ground Repair & Improvement	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00										
Irrigation	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00										
Irrigation Improvements	\$ -	\$ -	\$ -	\$ -	\$ 40,000.00										
Lighting Upgrade/Replacement	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00										
Momument Refacing/Repairs	\$ -	\$ -	\$ -	\$ -	\$ 55,000.00										
Paving Sealcoating & Concrete	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00										
Major Pond Repairs	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00										
Misc. Capital Expenses	\$ -	\$ -	\$ -	\$ -	\$ 12,500.00										
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ 198,500.00										
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 158.70	\$ 334.33	\$ 2,845.00	\$ (2,510.67)	\$ (193,930.00)										
# Homes Delinquent by 1/2 payment	1	\$2,500.00	10/1/21 was the Due Date												