Confidential Settlement Offer – Financial and Parenting

IRM BELL

May 17, 2023

Alyson, (hereinafter “Wife” or “Mother”), provides the following confidential settlement offer to Charles, (hereinafter “Husband” of “Father ”), regarding all matters of division of marital property (including asset and debt division), maintenance, child support and child-related expenses, and payment of attorney fees and costs. This offer is protected pursuant to CRE 408.

1. **Property Division.** Alysonproposes the following property division:
   1. Real Property: 7210 Timothy Place, Niwot, CO (“Timothy Place”).
      1. Interest and Title. Wife shall receive Timothy Place and all equity as her sole and separate property. Husband shall execute a Quit Claim deed transferring his interest in Timothy Place to Wife within seven (7) days of the entry of the Decree of Dissolution of Marriage. Wife shall be responsible for preparing and recording the Quit Claim deed.
      2. Expenses and Occupancy. Commencing July 1, 2023, Wife shall have exclusive use of Timothy Place. Wife shall be solely responsible for and indemnify Husband from all payments and expenses associated with Timothy Place, including but not limited to the mortgage, taxes, insurance, maintenance/repair, and utility costs.
      3. Refinance or Sale. No later than August 31 of the year that Camryn graduates high school, Wife shall either refinance Timothy Place so as to relieve Husband from all liability associated with the loan or list Timothy Place for sale. Upon refinance or sale, Wife shall pay Husband a settlement payment pursuant to Provision 3 below to achieve an equitable division of the marital estate.
   2. Vehicles.
      1. Wife shall receive the 2011 Ford Flex SEL and shall be solely responsible for any and all liability associated with said automobile, including any maintenance, repair, indebtedness, insurance and registration fees, and shall hold Husband harmless from same.
      2. Husband shall receive the 2019 Nissan Maxima and shall be solely responsible for any and all liability associated with said automobiles, including any lease or loan obligation, maintenance, repair, indebtedness, insurance and registration fees, and shall hold Wife harmless from same.
      3. The parties agree that the 2019 Subaru Impreza belongs to their son, Julian, and is not part of the divisible marital estate. Husband’s sister, Patricia Bell, shall be responsible to pay off the 2019 Subaru Impreza loan xx4400 and shall indemnify and hold Wife harmless from same.
   3. Bank Accounts.
      1. The parties shall equally divide the balance of funds in their joint Chase savings xx9619 and Chase checking xx5513. Wife shall retain the joint Chase accounts for convenience for auto debits associated with Timothy Place. Husband shall cooperate to remove his name from these accounts within fourteen (14) days after entry of the divorce decree.
      2. Wife shall receive the following bank accounts as her sole and separate property:
         1. Chase savings xx0300.
         2. Chase checking xx6560.
   4. Personal Property, Household Goods and Furnishings.
      1. Separate Property. Each party shall retain the personal property, jewelry he or she had at the time of marriage, or any such property he or she received as a gift during the marriage, and/or he/she received from his/her respective family members.
      2. Personal Effects. Each party shall receive their personal effects (including clothing, jewelry, and athletic equipment) as their sole and separate property.
      3. Household Goods, Art and Furnishings. The parties shall divide their household goods, art, and furnishings. To the extent that the parties both want the same item(s), they shall flip a coin and the winner of the coin toss shall have the first choice of the disputed item(s) which the parties will then alternate turns until all disputed items are divided.
   5. Photographs and Digital Libraries. The parties agree that they will divide family photographs and digital libraries and share the costs of duplication equally.
   6. Investment Accounts. The parties shall equally divide Acorns xx3437 and the NOBO, Inc. stock/stock options. The parties shall clarify in whose name the NOBO, Inc. stock/stock options are held. If they are not titled jointly, then the parties shall enter into a Stipulation which sets forth the terms by which one party holds the stock/stock options on behalf of both parties.
   7. Pensions and Retirement Accounts.
      1. Husband shall retain his Merrill Lynch IRA xx8839 retirement account as his sole and separate property as his sole and separate property free from all claims thereto by Wife.
      2. Wife shall retain her Merrill Lynch IRA xx8840 retirement account as her sole and separate property free from all claims thereto by Husband.
   8. Tool Studios, LLC. Husband shall retain as his sole and separate property free from all claims thereto by Wife his ownership interest in Tool Studios, LLC which shall include all assets (including, without limitation, Bank of America checking xx4282, Bank of America savings xx3319), and liabilities including Bank of America credit card xx9913. Husband shall indemnify and hold Wife harmless from any liabilities associated with this business whether occurring before or after the entry of the entry of the divorce decree. Wife’s marital interest in Tool Studios, LLC is accounted for and offsets property that Wife is retaining which is reflected in the settlement payment of $82,000 that Wife will pay Husband upon the sale or refinance of the marital home.
   9. Children’s Accounts.
      1. Wife shall continue to be the custodian of Julian’s 529 Merrill Lynch accounts xx9196 and xx3667 and Camryn’s Merrill Lynch account xx9198. The parties shall make joint decisions regarding all disbursements from these accounts and agree that the funds shall be used for each child’s post-secondary education and any other agreed upon child-related expenses. Husband shall have access to all account statements, including in both electronic and paper format.
      2. The parties agree that Camryn’s Chase savings xx5460 and Julian’s Chase savings xx5478 and checking xx3791 are the children’s accounts and are not part of the divisible marital estate.
   10. Dogs. The parties shall continue to share caretaking responsibilities for the family dogs. The dogs shall go back and forth between the party’s homes on a 5-2-2-5 schedule with transitions at 8:00am. The parties shall share medical decision making and share vet costs and other expenses (other than food and toys) equally. If the parties can no longer agree to share caretaking responsibilities, Wife shall assume all caregiving responsibilities for the dogs and she shall be responsible for all of the dog’s costs and expenses.
2. **Debts.** 
   1. The parties shall continue their practice of paying off the balances of their credit cards each month through the entry of the divorce decree. Once the divorce decree issues:
      1. Wife shall be responsible for Synchrony xx6754, and Chase UA xx3249 and shall indemnify and hold Husband harmless from same.
      2. Husband shall be responsible for Barclay/Apple xx4512, Barclay / Jet Blue xx9593, Chase Sapphire xx2303, Chase Ink xx6589, Bank of America Business xx9913, Home Depot xx7107, and Subaru xx4400 and shall indemnify and hold Wife harmless from same.
      3. The parties shall close their joint Home Depot account xx7017.
   2. Liability for Undisclosed Debts. Other than those debts specified herein, the parties are not aware of any other outstanding marital debts. If either party has failed to disclose a debt incurred during the marriage, in their care and control, the party failing to disclose the debt shall be solely liable for the debt and shall indemnify and hold the other party harmless with respect to the undisclosed debt.
3. **Property Settlement Payment**. In order to accomplish an equitable division of property, Wife shall pay Husband the sum of $82,000 which shall be payable upon the refinance or sale of Timothy Place as set forth in Provision 1(A)(iii) above.
4. **Maintenance.** 
   1. Husband’s Waiver of Maintenance:
      1. Husband has been fully advised of his right to apply to the above-captioned District Court for an award of maintenance, also known as “spousal support” or “alimony,” from Wife. Husband understands there is a Colorado Revised Statute (§14-10-114 C.R.S.) that provides a formula for the court to consider in determining maintenance applicable to cases where the parties’ combined gross income is equal to or less than $240,000.
      2. In reliance upon full disclosure of the assets and circumstances of one another, with knowledge of the terms and conditions of this Agreement, in express reliance on the terms and representation contained in this Agreement, and with advice of counsel, Husband stipulates and agrees that he is not in need of separate maintenance, and he hereby waives, now and forever, any and all right to receive maintenance payments from Wife arising from the parties’ marital relationship.
      3. Husband hereby acknowledges his understanding that his right to maintenance, once waived, can never be reasserted, and the Husband acknowledges his express understanding that this waiver of maintenance cannot be subsequently revived or modified as a result of changed circumstances of either party, no matter how severe, inequitable and unconscionable, the waiver may become in light of future events. This Court shall retain no jurisdiction to modify this waiver of maintenance by Husband.
   2. Wife’s Maintenance:
      1. Wife understands there is a Colorado Revised Statute (§14-10-114 C.R.S.) that provides a formula for the court to consider in determining maintenance applicable to cases where the parties’ combined gross income is equal to or less than $240,000.
      2. Commencing June 1, 2023, Husband shall pay Wife maintenance in the amount of $1,772.40 for a term of 10 years, 5 months. Husband’s monthly maintenance payment shall be paid by electronic deposit/transfer into Wife’s checking account on or before the 1st day of each month.
      3. Husband’s maintenance obligation terminates on the earlier of payment of all installments described in Paragraph 4(B)(ii) above, Wife’s death, Wife’s remarriage (common law or otherwise), or Husband’s death so long as Husband has a life insurance policy at the time of his death naming Wife as beneficiary in an amount that satisfies the remaining installments of the maintenance obligation. The initial amount of Husband’s life insurance policy shall be $200,000. Husband may reduce the insurance coverage by $19,000 each year on the anniversary of the maintenance obligation; however, so long as there is child support obligation, Husband shall not reduce the policy lower than $100,000.
      4. Non-Taxable Maintenance. The maintenance payments provided herein shall not be taxable to Wife and shall not be deductible by Husband.
5. **Allocation of Parental Responsibilities.** 
   1. The parties shall share joint allocation of parental responsibilities for all upbringing decisions regarding their son, Camryn.
   2. Father shall enjoy parenting time with Camryn in alliance with the guidance and recommendations provided by Jill Reiter. It is the objective of the parties that Camryn and Father’s relationship will improve and that Father’s will share equal parenting time with Mother on a 5-2-2-5 schedule so long as it is consistent with the best interests of the child.
   3. Any disputes regarding the implementation and/or expansion of Father’s parenting time shall be resolved by the PC/ARB.
   4. The parties will enter into a Parenting Plan that sets forth their agreements regarding Camryn in greater detail as well as the detail regarding their commitment to utilize the dispute resolution services of a PC/ARB for parental disputes relating to Camryn.
6. **Child Support.**
   1. Basic Child Support. Commencing June 1, 2023 and continuing thereafter until further agreement of the parties or Order of the Court, Father shall pay to Mother the sum of $1,005.21 per month as and for basic child support due on the 1st of each month and paid directly to Mother via an electronic funds transfer.
   2. Modifiable. Child support shall remain modifiable by law. Child support shall continue until the youngest child reaches the age of nineteen (19) years, or is otherwise emancipated, or until further agreement of the Parties or Order of the Court, whichever event may first occur. The Parties acknowledge that any agreements modifying child support must be submitted to the Court for approval.
   3. Expenses.
      1. Child's Extraordinary Medical Expenses. Commencing on June 1, 2023, the parties shall share all children’s uninsured medical expenses in the following percentages: 40% Mother and 60% Father. Uninsured medical expenses are defined as uninsured medical, vision, mental health treatment that has been agreed to by the parties or Court ordered, and dental care and orthodontia expenses, including all co-payments and deductibles. If a party incurs a non-emergency and non-routine medical, vision, or mental health expense without the other parties’ consent, that parent shall be responsible for 100% of the expense in addition to any other penalties or sanctions ordered by the Court for violating the joint decision-making provisions of the Parenting Plan. The parties shall make their payments directly to the health care provider. However, in the event one party is required to pay an uninsured medical, mental health or dental expense at the time of service, the expense shall be reimbursed consistent with Section 6(D) below. Before a party incurs any medical, mental health or dental expense in excess of $250 on behalf of the child which, under this Agreement, must be paid in whole or in part by the other party, the incurring party shall give reasonable advance notice of his or her intent to incur such expenses and shall secure the other party's consent, which consent shall not be unreasonably withheld, except that such advanced consent shall not be required for emergency treatment and/or treatment that is necessary to preserve the life or health of the child.
      2. Work/Education Related Child Care Costs. The parties shall share the child’s work-related or education-related childcare expenses in the following percentages: 40% Mother and 60% Father. The parties shall make their payments directly to the provider; however, in the event one party is required to pay any childcare at the time of service, the expense shall be reimbursed consistent with Section 6(D) below.
      3. Extracurricular Activity Expenses. Expenses for mutually agreed upon extracurricular activities shall be shared by the parties in the following percentages: 40% Mother and 60% Father. These expenses may include, but not be limited to, lessons, uniforms, fees and equipment for sports participation, band instruments, academic tutoring, classes, dress or attire for school events such as prom or homecoming, and major field or class trip expenses. Each party shall pay his or her share of said expenses directly to the provider. In the event one party is required to pay the full expense for an extracurricular activity, the expense shall be reimbursed consistent with Section 6(D) below. The parties agree that the child shall continue to participate in the following extracurricular activities and the parties shall share the costs for horseback riding.
   4. Expense Reimbursement. In the event one party pays for an extraordinary medical expense - Section 6(C)(i), work or educational related child care expense – Section 6(C)(iii), or an extracurricular activity expense - Section 6(C)(iv) that the other party is obligated to pay for or share a portion of, the parties agree to exchange expense reimbursement requests on a quarterly basis, with expense requests due March 1st, June 1st, September 1st, and December 1st. The expenses requests shall include a coversheet itemizing the expenses, documentation of the expense (bill, invoice), and proof of payment (receipt, bank or credit card statement). Reimbursement shall be made within thirty (30) days of receiving the quarterly expense request. There shall be no offsets. If a party fails to include an expense paid during the quarter in their quarterly expense request, the right to request payment shall be deemed waived.
   5. Day-to-Day Expenses. Each party shall pay for day-to-day recreation and activity expenses during their parenting time with the child, including, but not limited to, movies, videos, minimal field trip expenses, minimal school supplies, and tickets to activities and events.
   6. Annual Exchange. Until the child emancipates, the parties agree to annually exchange, on or before May 1st of each subsequent year following the date of this Agreement, financial information, including proof of income (including all income documentation required to be exchanged pursuant to C.R.C.P. 16.2(e)(2), Form 35.1, subsection (k) and verification of insurance and its costs for the purpose of updating and modifying this Agreement and Order as to child support. If the Parties cannot agree on whether a modification of child support is appropriate, either party may file a motion to modify child support pursuant to C.R.S. § 14-10-122.
   7. Children’s Health Insurance Coverage. Father shall provide health insurance coverage for the minor child and for Julian so long as Julian is eligible for coverage. Mother shall have complete access to the children’s insurance policy and information and shall be provided current insurance cards for each child. The parties agree to revisit the children’s health insurance coverage if a parent requests forty-five (45) days prior to the current insurance policy’s renewal date (if the policy does not have a renewal date, the parties should confer about the insurance by December 1st each year) and agree that any changes to the insurance coverage shall be a joint decision. The parties agree to consider all options for insurance coverage, whether through the insurance exchange or employer-based insurance. The parties agree that maintaining current health care providers, costs of the premiums, and coverage are all important factors to consider in determining what insurance plan is best for the children. The parties agree to maintain health insurance coverage for each child until he is emancipated.
7. **Health and Dental Insurance**. Commencing thirty (30) days after the first full month following the entry of the divorce decree, each party shall be responsible for their own health and dental insurance premiums and health and dental care costs.
8. **Taxes.** 
   1. 2022 Taxes. The parties filed a joint tax return in 2022. The state and federal refunds were routed to the parties’ joint account. The parties shall file separate tax returns each year thereafter.
   2. Prior Tax Years. During their marriage, the parties have filed joint federal and state income tax returns. The parties are unaware of any tax liabilities for previous tax returns, nor are they aware of any threatened audit. If, for any reason, their tax returns for previous years are audited and any tax, penalty, or interest is assessed against the parties, the parties shall equally share any liabilities, refunds or expenses related to an audit or any adjustment therefrom.

* 1. Inconsistent Position. Neither party will assert a position in preparation or filing of tax returns, either singly or jointly, with another person inconsistent with the terms and conditions of this Agreement.
  2. Access to Tax Records. Each party shall have access to all joint tax returns, including all supporting documents and schedules. A copy of this paragraph along with the signature page of the Separation Agreement, when tendered by either party or the parties’ CPA, shall constitute a release to obtain information. Neither party may unreasonably deny access to joint tax information to the other party.
  3. Dependency Exemption, Child Tax Credits and Head of Household. The parties agree to share the child tax credits equally, with Wife claiming the child or the children if the older child is eligible in even years and Husband claiming the child tax credit for the child or the children if the older child is eligible in odd years. If at any time a party does not meet the criteria for claiming a child tax credit allocated to him or her hereunder, the party who cannot claim the credit shall sign an appropriate tax form (currently Form 8332) to permit the other party to claim the credit.  The other party may then claim the credit so long as he or she satisfies the applicable tax criteria for claiming the credit. This provision may be modified by the Court when child support is modified.  The child dependency exemption was effectively eliminated with the Federal Tax and Job Cuts Act of 2017 (i.e., reduced to $0) and is not available to either party commencing with tax year 2018.  If dependent child exemptions become available in the future, Father shall claim the exemption in odd years and Mother shall claim the exemption in even years. Such exemptions shall be allocated between the parties as provided by Colorado law.  Either party may file a motion with the Court requesting that the Court allocate the dependent child exemptions if the parties are unable to reach agreement as to how the exemptions will be allocated between them. Provided each party meets the IRS eligibility requirements, each parent shall be entitled to file as head of household. A party shall not be entitled to claim a child as a dependent if he or she has not paid all court-ordered child support for that year or if claiming the exemption will provide no tax benefit to the parent.

1. **Attorney Fees and Costs and Indemnification.**
   1. Attorney Fees Related to Dissolution of Marriage. Attorney fees and costs incurred in this matter have been paid with marital funds. Each party shall be responsible for their own attorney fees and costs going forward.
   2. Indemnification. Each party shall indemnify the other with respect to compliance with the terms of this Agreement, or any debt or obligation assigned to him or her by this Agreement, and shall pay any cost, interest, penalties, and attorney’s fees to the non-liable party in enforcing or defending the terms of the Agreement, including but not limited to the payment of court costs, and reasonable attorney’s fees incurred by the non-defaulting party for enforcement of this Agreement’s terms, whether such enforcement is obtained through a resolution between attorneys outside of the court process or such enforcement or defense is by contempt proceeding or otherwise.
2. **Confidentiality**. The parties agree that the terms of settlement, including but not limited to any Separation Agreement or Parenting Plan shall be confidential and shall not be disclosed, either directly or indirectly, in any form whatsoever, by either party or any of their representatives to any third parties, except as specifically authorized in the Agreements or in response to a court order compelling disclosure after reasonable notice to the other party or as required for professional insurance, tax, or legal advice, or for tax reporting.