

**The Knolls Masters Association**  
**Policies and Procedures**  
First Adopted November 2012  
Amended January 2014  
**Amended August 2023**

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# The Knolls Master Association

## Adoption of Policies and Procedures

EFFECTIVE DATE:

BE IT RESOLVED, that the following policy shall govern the adoption and amendment of policies, procedures, and rules.

**1. Scope:**

To define procedures to be followed when policies, procedures and rules are adopted.

**2. Specifics:**

The Board of Directors will adopt policies, resolutions, procedures, rules, regulations or guidelines to further clarify the governing documents of the Association.

The Board of Directors will adopt rules and regulations to better the community. In many circumstances, these rules and regulations will be formulated based on the needs expressed by the owners.

Policies, resolutions, procedures, rules, regulations or guidelines will be discussed at Board of Directors meetings, which are open to all owners to attend.

Discussion by the owners in regards to policies, resolutions, procedures, rules, regulations or guidelines will be held in accordance with the Conduct of Meeting Policy.

Once a new policy, resolution, procedure, rule, regulation or guideline is adopted it will be mailed to each owner via US Postal Service.

The Association will maintain a book containing the policies, resolutions, procedures, rules, regulations or guidelines at its physical office address located at a Better Alternative Management Company, 838 N. First Street, Grand Junction, CO 81501, and is subject to review as listed in the Records Retention and Inspection Policy.

**3. Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.

**4. Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

**5. Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

**6. Amendment:** The Board of Directors may amend this procedure from time to time.

**President's Certification:** The undersigned, being the President of the Association certifies that the Board of Directors of the Association adopted the foregoing Resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

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**President**

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**Attest**

# The Knolls Master Association

## Policy Regarding Conflict of Interest of Directors

EFFECTIVE DATE:

BE IT RESOLVED, the Association, acting by and through its Board of Directors, hereby adopts the following policy and procedures relating to conflicts of interest involving a director.

1. Conflict of Interest – Defined. A conflict of interest occurs when a decision, a contract between the Association and any party, or other action would financially benefit or adversely affect:
  - (a) a director, or
  - (b) any person who is a parent, grandparent, spouse, child or sibling of such director, or
  - (c) a parent or spouse of any of such persons, or
  - (d) any entity, company, trust, or estate in which a director or a party related to a director has a financial or other interest.

A director shall not be deemed to have a personal or financial interest in the outcome if the director will not, as a result of the outcome, receive any greater benefit or detriment than any general member of the Association would receive.

For example, but not by way of limitation, a decision by the Architectural Control Committee that a homeowner, whose brother is a director, cannot build a certain type of house because it does not conform to the Covenants, would "adversely affect" such director.

2. Conflict of Interest – Avoidance. Whenever possible, directors should avoid conflicts of interest to allow themselves to exercise their fiduciary duties to the members without any semblance of impropriety.
3. Gifts. Directors shall not accept gifts from contractors or vendors who are working transacting business with the Association.
4. Loans. Directors shall not accept or seek loans from the Association, and directors shall not loan money or funds to the Association. The Association shall not loan money to or borrow money from any director.
5. Disclosure. If a conflict of interest arises, the affected director shall disclose to the other directors that an actual or potential conflict of interest exists or may exist relating to that issue. Such disclosure shall be made by the director as soon as the director has enough facts to reasonably determine that a conflict does or may exist, and before any decision is made, contract entered into, impartial fact-finding process concerning whether alleged violations have occurred, or any other action is taken by the Board of Directors. A director should disclose where there is any possibility of a potential conflict or where there is or may be an appearance of a conflict of interest, and should give the directors sufficient information to make a determination regarding abstention. If a director asserts that an actual or potential conflict exists for or with another director as to any matter before the Board, the director with the alleged conflict of interest shall disclose such facts remaining directors as the remaining directors may deem necessary to make a determination whether to

require abstention in accordance with this policy.

- (a) *Full Disclosure.* The facts relating to the conflicting transaction or situation should be fully disclosed to the other directors.
- (b) *Timely Disclosure.* Disclosure should be made prior to any discussion by the directors on the subject matter to which the conflict does or may apply and prior to any decision or action on the issue.

6. Recusal and Abstention. Upon such a disclosure, the affected director may recuse him/herself from the discussion, or the remaining directors may require, by majority vote, such member to exclude him/herself from said discussion of such issue or otherwise limit his/her involvement in such discussion. However, the conflicted director shall not vote on the matter. A director who has recused or been recused may participate in the discussion as a member of the Association (not as a director) so long as the director has moved away from the directors and is limited to speaking at the meeting in the same manner as any other member of the Association is limited. If the remaining members are an even number, a tie vote shall suffice to disqualify a director with an actual or perceived conflict of interest, or to otherwise limit the participation of the conflicted director in the discussion of the matter at issue.

7. Policy Review and Amendment. The Association's policies, procedures and rules and regulations relating to conflicts of interest shall be reviewed by the Board on a periodic basis in accordance with C.R.S. § 38-33.3- 209.5(4)(a)(III), as determined by the Board, but not less often than once every three years. This policy may be amended by the Board of Directors from time to time.

8. Committees and Officers. This policy shall also apply to any committee of the Association charged with making decisions or taking action on behalf of the Association, such as the ACC, and to officers of the association.

9. Supplementary to Applicable Law. This policy shall be in addition to and not in lieu of the terms and provisions of the Declaration, the Bylaws, the Articles of Incorporation, and the applicable laws of the State of Colorado. Where these may conflict, the more stringent standard shall be applied.

10. Deviations. The Board of Directors may deviate from the procedures set forth in this policy where the Board determines, in its reasonable discretion, that such deviation is reasonable or necessary under the circumstances.

CERTIFICATION: The undersigned certifies that the Board of Directors of the Association adopted the foregoing policy by majority vote.

**The Knolls Master Association**

\_\_\_\_\_  
**President**

\_\_\_\_\_  
**Attest**

# **The Knolls Master Association**

## **Record Retention and Inspection Policy and Procedure**

EFFECTIVE DATE:

BE IT RESOLVED, that the records of the Association are public documents and Members of the Association are welcomed to review them in accordance with the following procedure.

### **1. Scope:**

To adopt a procedure and policy to be followed when retaining records and when records are requested to be reviewed.

### **2. Specifics:**

All records for the Association will be kept permanently either in paper or electronic. The Board of Directors and/or the Management Company for the Association will keep all records prior to 2023 as to what is currently available. All records will be kept in writing or in a form that can easily be converted into written form.

The following items will be kept as permanent records:

- Minutes of all Board and owner meetings;
- All actions taken by the Board or owners by written ballot instead of holding a meeting;
- All actions taken by a committee on behalf of the Board instead of the Board acting on behalf of the Association; and
- All waivers of the notice requirements for owner meetings, board member meetings or committee meetings.

In addition to the above that must be kept as permanent records, the Association will keep a copy of the following records in its principal office:

- Articles of incorporation
- Bylaws;
- Declaration of Covenants, Conditions, and Restrictions;
- Board resolutions affecting the owners;
- Minutes of all owner meetings and records of any actions taken by Members without a meeting in the past three years;
- All written communication within the last three years to the owners as a whole;
- A list of the names and business or home addresses of the current Board members and its officers;
- Most recent annual report, if any, of the Board;
- All financial audits or reviews conducted in the last three years; and
- A record of all Association members that allows the preparation of a list of the names and addresses of all owners as well as the number of votes each owner has to cast.

Owners may request to inspect records or copies of records; request must be made in writing to the Management Company for the Association. The records can only be physically inspected within the office of the Management Company for the Association, during normal business hours, or during the next regularly scheduled owner or Board meeting occurring within thirty (30) days of the owner's request, at the discretion of the Board. If physical copies of records are requested to be mailed, faxed, or electronically mailed, a per page charge no less than \$0.15 plus office staff time to copy the records will be billed and due. Additional mailing charges may apply. These charges shall be at the owner's expense and may be collected by the Association in advance.

The written request must include: who is making the request, proof of authorization to make the request, owners address, what records are being requested to be reviewed, a description of the document being requested and the reason for review. The review of records may only be for proper purposes and must be Association related. A signed acknowledgement from the owner must be on the request stating that the records will not be used for improper purposes.

Association records, including membership lists, shall not be used by any owner for:

- Any purpose unrelated to an owner's interest as an owner;
- The purpose of soliciting money or property;
- Any commercial purpose;
- The purpose of giving, selling, or distributing such Association records to any person; or
- Any improper purpose as determined in the sole discretion of the Board.

Those items that are between the Board of Directors and an attorney are not open for review. Items that are for personal nature shared with the Board by a specific Association Member will not be open for review.

The Association shall make the records available within five (5) business days of the owner's request or during the next regularly scheduled owner or Board meeting occurring within thirty (30) days of the owner's request, at the discretion of the Board. The Board shall advise the owner of the time and place of such inspection in writing within five (5) business days of the owner's request.

- 3. Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.
- 4. Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
- 5. Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

**6. Amendment:** The Board of Directors may amend this procedure from time to time.

**President's Certification:** The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

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**President**

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**Attest**



**The Knolls & Ravenna Hills Homeowners Association  
Request for Record Review**

Person making request:

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ Cell \_\_\_\_\_

E Mail Address \_\_\_\_\_

Reason for Request

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Documents Requested:

\_\_\_\_ Annual Meeting Minutes                      Dates Requested \_\_\_\_\_

\_\_\_\_ Board Meeting Minutes                      Dates Requested \_\_\_\_\_

\_\_\_\_ Balance Statements                      Dates Requested \_\_\_\_\_

\_\_\_\_ Income Statements                      Dates Requested \_\_\_\_\_

\_\_\_\_ Correspondence                      Pertaining to \_\_\_\_\_

\_\_\_\_ Other (list in detail)                      \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_ Association membership list

I understand that the records can only be physically inspected within the management company during normal business hours within five (5) business days of this request or during the next regularly scheduled owner or Board meeting occurring within thirty (30) days of the owner's request, at the discretion of the Board. If physical copies of records are requested to be mailed, faxed, or electronically mailed, a per page charge of \$0.15 plus office staff time to copy records will be billed and due. Additional mailing charges may apply. These charges shall be at the owner's expense and may be collected by the Association in advance. Items that are between the Board of Directors and an attorney are not open for review. Items that are of personal nature shared with the Board by a specific Association member will not be open for review.

\_\_\_\_\_  
Signature of person making request

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_

# The Knolls Master Association

## Investment Policy and Procedure

### EFFECTIVE DATE:

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for enforcing policies rules and regulations and other governing documents of the Association.

**1. Scope:**

To adopt a procedure and policy outlining procedures to be followed for investing replacement reserves.

**2. Specifics:**

Reserve funds shall initially be deposited to the Association's operating bank account and accounted for as a liability on the Association's books. The funds shall be sequestered as soon as allocated amount is sufficient to open a no-fee reserve account.

All Association funds must be held in instruments insured by the Federal Government.

If the fee vs. interest earned relationship is favorable to the Association, the Association may keep funds in interest-bearing instruments. Preservation of principal is the primary criteria.

### **Review and Control**

Policy considerations concerning changes of investment strategy or security selection criteria will require a meeting to obtain a consensus.

The Association's Treasurer will receive monthly reserve statements. These statements will provide detailed accounting of current values, income, and transactions. Reports will be available for Members of the Association from the Treasurer upon written request.

**3. Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.

**4. Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

**5. Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

**6. Amendment:** The Board of Directors may amend this procedure from time to time.

**President's Certification:** The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

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**President**

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**Attest**

# **The Knolls Master Association**

## **Dispute Resolution Policy and Procedure**

EFFECTIVE DATE:

BE IT RESOLVED, the Association hereby adopts the following policy and procedure (“Policy”) to be followed for resolving disputes between owners and the Association.

1. **Request for Hearing.** An Owner may request a hearing with the Board of Directors if the owner wishes to dispute a fine, charge, Notice of Violation, Notice of Delinquency, or other action the Association has taken against such Owner. The request must be submitted in writing to the Association via email or US Postal Service within thirty (30) days of the decision, notice, or other action of the Association that the Owner is disputing.

2. **Hearing.** The hearing shall be conducted by the Board or a hearing officer may be appointed by the Board to conduct the hearing. The hearing shall be open to any Member who wishes to attend. The hearing shall be scheduled as soon as practicable following the request, but not later than 45 days after the request, unless the Owner and the Board consent in writing to a longer time. The hearing shall be conducted in accordance with the process set forth in the Association’s Policy on Covenant Enforcement.

**The Knolls Master Association**

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**President**

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**Attest**

# The Knolls Master Association

## Meeting Policy and Procedure

EFFECTIVE DATE:

BE IT RESOLVED, that the Association, acting by and through its Board of Directors, hereby adopts this policy and procedure on the conduct of meetings (“Policy”).

1. **Purpose.** The involvement and participation of Members in the leadership of the Association is valuable. To make the most of the time they graciously volunteer to the Association, and to encourage orderly and productive meetings in which all voices can be heard and considered, meetings of the Board and meetings of the Members will be conducted in accordance with this Policy.

2. **Board Meetings.** Meetings of the Board of Directors of the Association (“Board”) Board meetings shall be called in accordance with the Bylaws of the Association. Board meetings are open to all Members and shall be held on a date determined by the Board but no less often than annually. The date and/or time of any Board meeting may be changed to accommodate the schedules and emergencies of directors. Announcements of Board meetings will be posted on the Association website seventy-two (72) hours in advance of the meeting. The general membership will have the opportunity to speak at the end of the Board meeting for a period of time not to exceed five (5) minutes per Member. At the discretion of the Board, the floor may be opened for Member comments on any discussion or vote item on the agenda.

3. **Executive Session.** Directors may discuss the following matters in executive session, outside the hearing of the general membership:

- (a) Matters pertaining to employees of the association or the managing agent’s contract, or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (d) Review of or discussion relating to any written or oral communication from legal counsel;
- (e) Any matter the disclosure of which would constitute and unwarranted invasion of individual owner privacy, including a hearing regarding an owner’s financial delinquency or referral of a delinquent account to an attorney for collection or legal action, except that the Owner who is the subject of the matter may request that the matter be heard in an open meeting.

Prior to holding the executive session, the Board will announce the purpose of the executive session during the general Board meeting. Separate minutes will be kept for executive sessions.

4. **Member Meetings.** Member meetings may be called and held as prescribed in the Association Bylaws. An annual budget ratification meeting will be held every 12 months. Written notice of the annual meeting or of any special meeting shall be postmarked not fewer than fifteen (15) days, but not greater than sixty (60) days, prior to said meeting. Annual and special meetings of the members may be scheduled to accommodate the schedules and emergencies of directors.

5. **Meeting Notice – Contents.** The notice of any annual or special meeting of the Members shall contain at a minimum:

- The date, time and place of the meeting;
- A general proxy form for the meeting;
- The proposed agenda for the meeting;
- The proposed budget for the coming fiscal year (if the budget is on the agenda);
- Annual meeting minutes from the previous year;

In addition, the following information will be made available on the website:

- (a) A copy of the Associations income and expenses for the year to date; and
- (b) A copy of the Associations balance sheet for the month ending immediately prior to the notice.

If possible, meeting notices should be posted within the subdivision at least one week prior to annual and special meetings.

6. **Voting and Proxies.** Only the owner of record, or the owner's representative by proxy, may vote. One vote per lot is allowed. At any meeting of the Members, each Member may vote by proxy if desired. All proxies shall be reviewed by the Association's secretary or designee as to the following:

- a) Signatory's authority to sign for the Owner
- b) Authority of the Owner to vote;
- c) Conflicting proxies; and
- d) Expiration of the proxy

General proxies must be revocable and terminate eleven (11) months after its date, unless an earlier date is specified.

Voting rights will be suspended for any owner who is or has been in violation of the Declaration of Covenants, Conditions, and Restrictions within the thirty (30) day period prior to the meeting, or who is delinquent in paying Assessments as of the date of the meeting.

7. **Conduct of Meetings.** Annual meetings and special meetings shall be governed by the following rules of conduct and order (Roberts Rules of Order):

- a) The president of the Association or designee shall chair all Member meetings.
- b) All Owners and persons who attend a meeting will sign in, present any proxies, and receive ballots as appropriate.
- c) Any person desiring to speak shall sign up on the list provided at check-in and indicate if he/she is for or against an agenda item.
- d) Anyone wishing to speak must first be recognized by the chair.
- e) Only one person may speak at a time.
- f) Each person who speaks shall first state his or her name and address.
- g) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- h) Those addressing the meeting shall be permitted to speak without interruption for up to five minutes (5). The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the chair, but shall be uniform for all persons addressing the meeting.
- i) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting topic being discussed.
- j) All actions and /or decisions will require a first and a second motion.
- k) Once a vote has been taken, there will be no further discussion regarding that topic.
- l) Minutes of actions taken shall be kept by the Association. So as to allow for and encourage full discussion by Owners, meetings may be audio, video, or otherwise recorded.
- m) Anyone disrupting or attempting to monopolize a meeting as determined by the chair, shall be asked to “come to order.” Anyone who does not come to order will be requested to immediately leave the meeting.
- n) The chair may establish such additional rules of order as may be necessary from time to time.

8. **Recording.** Meetings of the Members may be recorded (video or audio or both) by the Board or by any Member. If recording is taking place, the person recording the meeting shall inform those present that the meeting is being recorded. Recordings of such meetings by the Association shall be maintained for a period of three years following the meeting.

9. **General Provisions.**

- (a) **Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.
- (b) **Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Association.

(c) **Deviations:** The Board may deviate from the procedures set forth in the Resolution if in its sole discretion such deviation is reasonable under the circumstances.

(d) **Amendment:** The Board of Directors may amend this procedure from time to time.

**Certification:** The undersigned certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

\_\_\_\_\_  
**President**

\_\_\_\_\_  
**Attest**



# The Knolls Master Association

## Architectural Control Policy and Procedure

EFFECTIVE DATE:

BE IT RESOLVED, the Association hereby adopts the following policy and procedure (“Policy”) to be followed for any improvements, renovations, or changes to a Lot within The Knolls.

1. **Purpose.** This Policy shall establish the procedures and guidelines applicable to the use of, and construction, installation or remodel of any improvements within The Knolls, including without limitation the application of the provisions of Articles 7, 8 and 15 of the Declaration.

2. **Lot Improvements.** Homeowners must request prior approval for Architectural changes or improvements such as landscape changes and exterior paint or roof color changes or any structural changes and must follow Grand Junction City Codes and Requirements, as well as Knolls Covenants, Conditions, Restrictions and Easements. Homeowners planning to attach motion detection lights must have approval from neighbors and notify the Board prior to installation. Architectural Control as stated in the Knolls Covenants, Conditions, Restrictions and Easements Article 15 will be available on The Knolls Master Homeowners Association website. Homeowners may download a request form from the website.

3. **Common Area Improvements and Maintenance.** Maintenance and improvements within the Common Areas shall be undertaken at the reasonable discretion of the Board of Directors (“Board”) of The Knolls Master Association. The following are applicable to the use of the Common Areas within The Knolls:

- (a) **Pond.** The pond area is private property and reserved for Members and their invitees only.
- (b) **Walkways.** The walkway along the ponds and connecting Piazza Way and Ridge Drive is a public easement granted by the City of Grand Junction.
- (c) **Shared Common Areas.** The Knolls Master Association and Ravenna Hills Homeowners Association share certain common area maintenance responsibilities. *See* The Knolls Master Association Policy on Shared Costs and the Shared Cost Agreement between The Knolls Master Association and Ravenna Hills Homeowner’s Association.

4. **Neighborhood Watch.** The Knolls and Ravenna Hills are involved in a neighborhood watch program. Contact police any time strange activity is observed in the common areas or throughout the neighborhood. Check website for updates.

5. **Fences.** All fences within The Knolls shall be uniform and conform in color; the Paint color is Sherwin Williams acrylic stain called “Monument Fence.”

- (a) The following fences shall be deemed part of the Common Area and the costs for maintenance, repair, and replacement thereof borne as follows:
- (i) Fences shared with Ravenna Hills. Where one side of fence is Ravenna Hills and opposite side of fence is Knolls - the expense is split between The Knolls & Ravenna Hills Homeowners Association (ie: 27 ½ Road: Church area; and along Piazza Way adjacent to the park which is a split rail fence; and the fence adjacent to the retention pond on Woodgate Drive.) The expense is shared by each HOA 50%/50%. See Shared Cost Agreement below.
  - (ii) Fences Shared with Lot Owners. Where one side of fence is a Knolls owner and the opposite side of fence is exposed to common property - the expense is split between the homeowner and The Knolls HOA.
  - (iii) Masonry fence on the east side of 27 ½ Road is common area and maintained by each Association expensed 50% of total cost to each HOA.
- (b) The following fences shall be considered part of the Lots and repair, maintenance, and replacement thereof the responsibility of the Lot Owner (or shared with Ravenna Hills HOA, as applicable):
- (i) Fence along south side of Woodgate that abuts Spring Valley - the expense is entirely the home owners.
  - (ii) The fence along the south side of Cortina that shares Piazza Way homeowner's - the expense is split between the Ravenna Hills Homeowners Association (north side of fence) and the Knolls homeowner (on the south side of fence).
  - (iii) All fences inside Knolls Master HOA which separate yard areas – the expense is split between the two owners who share the fence.

6. **Irrigation**. The Knolls is irrigated by means of a “collective delivery system” shared with Ravenna Hills. Irrigation to the development is pressurized by one main system run through different zones with a set coordinated timing scheduled to maintain proper pump capacity and pressure. Irrigation water is available by ownership of water rights in the Grand Valley Water User's Association (GVWUA). Domestic water is supplied by UTE Water Conservancy District and would be controlled by them. Each homeowner can use his own discretion in regard to irrigating with UTE water.

- (a) Individual Lot Sprinkler Systems. Lot Owners shall keep their individual Lot sprinkler and drip systems in good working condition at all times during the irrigation season. Problems that occur on individual Lot irrigation systems can affect the entire

community and if they do they will be corrected by the Association so as not to hold up, damage or negatively impact irrigation in within The Knolls community, and the costs thereof assessed to the Lot Owner.

- (b) Watering Schedule. Pumps and pumping capacity mandates that all Knolls Lot Owners adhere to the irrigation schedule and comply in all respects with this Policy in order to avoid damaging pumps or the collective delivery system. Therefore, each Lot Owner shall follow the “Annual Irrigation Schedule” available on the website and distributed each March/April via U.S. Mail prior to activation of the pressure system and pumps. There are no exceptions, except in an emergency.
- (c) Shortages. Availability of irrigation water can be affected by water shortage or interruption of delivery from GVVUA or performance of the pumps and delivery system. In the event of any delivery shortage or disruption, the Knolls & Ravenna Hills Homeowners Association Boards will attempt to distribute water to all Members as equitably as possible under the circumstances and without favoring any individual Lots or Owners.
- (d) Shared Costs. Delivery system expenses are shared between Knolls Master Association and Ravenna Hills Home Owners Association in accordance with The Knolls Master Association Cost Sharing Policy and with the Shared Cost Agreement between The Knolls Master and Ravenna Hills Associations.

7. **Signs and Flags**. No commercial / advertising signage is allowed upon any Lot. Non-commercial signage is limited as follows:

**Signs:**

- (a) No more than one sign per Lot is allowed upon such Lot at any given time; and
- (b) The maximum allowed size of the flag is 2’ x 4’ in area; and
- (c) The maximum allowed height from the ground is 4’; and
- (d) Signs shall not be placed or posted on fences or trees; and
- (e) Signs shall not be placed so as to create a sight-distance problem for vehicles or pedestrians using the streets and sidewalks.

**Flags:**

- (f) Flag poles are limited to a maximum of 12 feet high. Maximum flag sign is three feet by five feet. (3x5)

Lot Owners shall not place any signage within the common areas; signage in the common area shall be at the discretion of the Board of Directors. For purposes of this Policy, a “for sale” sign is not considered commercial in nature.

8. **Snow Removal**. The Association will contract for snow removal on all public sidewalks and Association easements after snow remains for two hours at a depth of 2 inches or more.

9. **Violations.** Failure by a Lot Owner to comply with this Policy including, without limitations, failure to:

- (a) install improvements as approved by the Architectural Control Committee,
- (b) maintain landscaping, fencing, irrigation systems, and Lots in accordance with the Declaration and the Association's Policies, and
- (c) follow the irrigation schedules and system requirements set forth in this Policy

shall be deemed violations of the Governing Documents ("Violations"). Violations shall be handled by the Association in accordance with The Knolls Master Association Covenant Enforcement Policy as directed by Colorado law governing common interest communities..

10. **General Provisions.**

- (a) **Other Applicable Rules.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws and the applicable laws of the State of Colorado.
- (b) **Deviation.** The Board may deviate from the procedures set forth in this Policy if in its reasonable discretion, using good business judgment, such deviation is reasonable or necessary under the circumstances.
- (c) **Amendment:** The Board of Directors may amend this procedure from time to time.

**Certification:** The undersigned certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

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**President**

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**Attest**

# **The Knolls Master Association**

## **Policy Regarding Collection of Unpaid Assessments and Covenant Enforcement**

### **EFFECTIVE DATE:**

BE IT RESOLVED, the Association, acting by and through its Board of Directors, hereby adopts the following policy and procedures relating to collection of unpaid assessments, dues, fines, and charges.

1. **Purpose.** This policy relates to the collection of assessments, dues, fines, fees, interest, attorney's fees and other costs of enforcement and collection incurred by the Association, penalties and other charges (collectively, "Assessments") imposed upon or charged to Owners of Lots ("Owner" or "Owners") within The Knolls by the Association. For purposes of this policy, "Assessments" shall mean and include any and all charges the Association is entitled to charge or recover pursuant to the Declaration, applicable law, and Association policies. Assessments are payable when due without setoff or deduction.

2. **Covenant and Liability For Assessments.** The obligation to pay Assessments is an independent covenant. Each Owner, by acceptance of a deed for Property in the Subdivision, is deemed to covenant and agree to pay the Association for all Assessments levied by the Association against a Lot and the Owners thereof in accordance with the provisions of the Declaration, Bylaws, policies and rules and regulations of the Association and under Colorado law. Assessments are both a charge against the Lot for which they are assessed and a personal obligation of the Owner(s) of such Lot. All Owners are jointly and severally liable for all assessments incurred during such Owner's ownership of said Lot which shall include any reasonable attorney's fees incurred by the Association in enforcing the covenants or collecting any assessments, including but not limited to any fees incurred before a lien is placed on the Lot or a suit is filed. No Owner may waive or escape liability for assessments, charges, attorney fees, fines, or penalties by the nonuse of the common areas or abandonment of his or her Lot or asserting that services, duties, or obligations of the Association have not been performed.

3. **Due Dates/Late Charges/Service and Other Fees.** Regular assessments charged to Owners are due and payable in annual installments, due and payable by January 31<sup>st</sup> of each year. Special assessments are due and payable on the date such assessment is imposed unless other payment arrangements acceptable to the Board are made. Any Assessment which is not paid within 30 days from the date it is due shall be considered past due and delinquent. Subject to the hearing process set forth in this Policy, a monthly late fee of \$15.00 will be charged once any Assessment is delinquent, and if any

Assessment is not paid within 30 days after the amount becomes due, the Assessment shall bear interest at the rate of eight percent (8%) per annum until paid. A charge for any returned check shall be imposed, which shall be the greater of (1) \$20 per check or (2) the actual charge from the financial institution returning the check. Any payments received for delinquent Assessments shall first be applied to the Assessments owed and, any remaining amount of the payment, at the Board's discretion, shall be applied to the fines, fees, interest, or other charges owed. Except as specified in Section 6(a) of this Policy (regarding no charge for issuing monthly statements), if the Association incurs any type of service fee or attorney fee, regardless of what the fee is called, for the collection of delinquent accounts on a per account basis, such fees shall be charged to the Owner with the delinquent account.

4. **Lien.** Under the Declaration and under the Colorado Common Interest Ownership Act ("CCIOA"), the Association has a statutory lien on a Lot for any Assessments levied against the Lot and/or imposed against an Owner from the time each Assessment becomes due. Any such Assessment shall be a charge on the land and shall be a continuing lien against which such Assessment is made.

5. **Collection and Other Association Remedies.** The Association shall have all the remedies available to it under the governing documents of the Association (i.e Declaration, Articles, Bylaws and Policies) and under CCIOA, which include collection action, placing and foreclosing a lien on a Lot, filing suit against an Owner. The Board of Directors has determined that it is in the best interest of the Association to refer delinquent accounts promptly to a collection agency or attorney for collection so as to minimize the loss of assessment revenue. The Board of Directors may retain an attorney with experience in representing homeowners' associations in collections and other matters. The Association may, upon a majority vote of the Board of Directors, refer a delinquent account to a collection agency or attorney in a recorded vote. The Association, through the Board of Directors, may also bring an action of law against an Owner personally liable to pay for any assessment. In the event a judgment is obtained, such judgment shall include interest on the assessment, charge or fine and a reasonable attorney's fees to be fixed by the court, together with the costs of the action.

6. **Procedures.**

(a) **Monthly Statement.** The Association shall provide each Owner who has any outstanding balance an itemized monthly statement of all assessments, fines, fees, charges and other sums due; such statement shall be provided without charge therefor to the Owner,

(b) **Notice of Delinquency/Notice of Violation.** When an Owner is delinquent in paying Assessments or has violated a protective covenant or any other provision of the Declaration or Association rules, policies, or procedures, the Association shall provide to such Owner a Notice of Delinquency or a Notice of Violation in the following manner:

- (i) via certified mail, return receipt requested, **and**
- (ii) by physically post a copy at the Owner's residence; **and**
- (iii) by one of the following means:
  - (A) first-class mail, **or**
  - (B) text message to the cell phone number the Owner has provided to the Association, **or**
  - (C) e-mail to the e-mail address the Owner has provided to the Association.

(c) Contents of Notice. The Notice of Delinquency shall contain the following details:

- (i) a detailed statement of sums due including an accounting of how the total was determined;
- (ii) whether the charges concern unpaid assessments, unpaid fines, fees, charges, or a combination thereof;
- (iii) a statement that unpaid regular assessments and special assessments may lead to foreclosure;
- (iv) whether the Owner will be given an opportunity to enter into a payment plan and, if so, instructions for contacting the Association to enter into such a payment plan;
- (v) the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the delinquency;
- (vi) the nature of any alleged violation of a covenant, rule, policy, or procedure and the action or actions required to cure such alleged violation;
- (vii) the timeline for the hearing process described in this Policy;
- (viii) the interval upon which fines may be levied and the amounts of such fines;
- (ix) that failure to cure the delinquency within thirty (30) days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or the Association's pursuit of other remedies available under Colorado law;
- (x) a description of what legal action the Association may take against the Owner, including a description of the types of matters the Association or Owner may take to small claims court, injunctive

relief, collection action, or lien, and a description of the applicable cure process the Owner may undertake to avoid such legal action.

(d) Record of Communications. The Association shall retain a record of such Notice and other communications to or with the Owner regarding delinquent Assessments, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

(e) Contact Designation. Owners may notify the Association of another person to serve as the designated contact for the Owner, in addition to requesting that any Notice of Delinquency be made in a language other than English. If no such request is provided to the Association, the Notice of Delinquency shall be in English.

(f) Violations – Fines, Cure. The Association, acting by and through its Board of Directors, may take action to abate, enjoin, or correct violations of the Declaration, the Association's duly adopted rules, policies and procedures, or other provisions of the governing documents of The Knolls ("Violation").

- (i) *Violation of Public Safety or Health*. If the Association reasonably determines that the Violation threatens public safety or health, the Association shall provide written Notice of Violation as set forth in Section 6(b) and 6(c) of this Policy, which Notice shall inform the Owner(s) that they have 72 hours to cure the violation, or the Association may assess a fine or fines.

If after inspection of the Unit, the Association determines that the Owner has not cured the violation within 72 hours after Notice, the Association may impose fines in the amount of \$50.00 every other day and may take legal action against the Owner for the violation.

- (ii) *Other Violations*. For any Violation that does not threaten public safety or health, the Association shall provide written Notice of Violation as set forth in Section 6(b) and 6(c) of this Policy informing the Owner that they have 30 days to cure the violation or the Association, after conducting an inspection and determining there has been no cure, may fine the Owner in amount not to exceed \$500.00. The Association shall provide the Owner with two consecutive 30 day periods to cure the violation before taking legal action against the Owner.
- (iii) *Cure*. Owners shall notify the Association when the Violation has been cured, which notice shall include written and visual evidence of such cure. If the Owner fails to provide visual evidence, the Association shall inspect the Lot as soon as practicable to determine if the Violation has been cured.

The Violation will be deemed cured on the earlier of (1) the date of



the notice of cure by the Owner, if such notice satisfactorily demonstrated such cure, or (2) the date of the inspection at which the Director(s) or their agents determined the Violation was cured.

Once a Violation is determined to be cured, the Association shall provide written notice that the Owner will not be fined further for the Violation, and provide a statement of the outstanding fine balance to the Owner. Such notice shall be in the manner described in Section 6(a) of this Policy.

- (iv) *No Cure.* If the Association does not receive notice from the Owner that the Violation has been cured, the Association shall inspect the Lot within seven (7) days after the expiration of the 30-day cure period. If the Violation is not cured, the Association shall (i) provide a second 30-day cure period; or (ii) if two 30-day cure periods have lapsed without a cure, the Association may take legal action against the Owner.

**7. Hearing Process.** An Owner who has been provided a Notice of Delinquency or Notice of Violation shall have the opportunity to be heard before an impartial decision maker by making a written request, within thirty (30) days of such notice, for an informal hearing before the Board of Directors of the Association to determine whether the alleged violation actually occurred, and whether the Owner is the one who should be held responsible for the Violation. If the Owner fails to timely request such a hearing, the Owner waives the right to such a hearing. If the Owner timely requests a hearing, the Association shall, in accordance with the Association's Conflict of Interest Policy, determine if any director has a conflict of interest, and once the Association has resolved conflict of interest issues, if any, the Association shall provide the Owner with at least thirty (30) days' written notice of the date and time of the hearing. The hearing shall be informal and the rules of evidence shall not apply; however, the Owner may be represented at such hearing by an attorney of such Owner's choosing and at such Owner's sole expense. *See also* The Knolls Master Association Covenant Enforcement Policy and Procedure for additional details on the hearing process for Violations. In the event of a conflict between this Policy and the Covenant Enforcement Policy, the provision that is more protective of the Owner's interests shall apply.

**8. Payment Plan.** For delinquent regular or special assessments, the Association shall, prior to referring the delinquent account to an attorney or collection agency for collection, provide the Owner an opportunity to repay the debt in in monthly installments over an 18-month period in monthly amounts of not less than \$25.00 per month. The Owner may elect to pay the full balance due at any time during the duration of the payment plan.

If after thirty (30) days from the date of the written offer to enter into a payment plan the Owner has either (i) failed to respond to the offer, or (ii) declined the payment plan, or if after accepting a payment plan the Owner fails to make at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due or failed to remain current with regular assessments as they come due during the payment plan period, the Association may

commence legal action against the Owner.

The Association may commence a foreclosure action in lieu of a payment plan if the Owner does not occupy the unit and has acquired the property as a result of: (i) a default of security interest incumbering the unit; or (ii) foreclosure of the association's lien; and (iii) the Association or a holder or assignee of the Association's debt is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan.

9. **Foreclosure.** The Association may commence a legal action to initiate foreclosure based on an Owner's delinquency in paying assessments if the Association has complied with this Policy. The Association may not foreclose on an assessment lien if the debt securing the lien consists only of one or both of the following: (i) fines that the Association has assessed against the Owner; or (ii) collection costs or attorney fees that the Association has incurred in connection with only assessed fines. Any amount due which is enforced by foreclosure shall be in a like manner as a mortgage on real property. In such foreclosure, the Owner shall be required to pay the cost; and expenses of such proceedings, including reasonable attorney's fees.

10. **Waiver or Compromise and Settlement.** As to any delinquent Assessments, the Board may exercise its reasonable discretion, using good business judgment, to waive any late fee, interest, fine or penalty and/or negotiate any settlement of any delinquent Assessment owed to the Association by an Owner, except as otherwise required under Colorado law.

11. **Certificate of Status.** Upon written request of an Owner, the Association shall furnish to an Owner or Owner's designee in the manner requested by such Owner or Designee, which may include mail, email, or other reasonably and normally accepted manner of delivery, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner or Owner's lot, for a reasonable fee, which fee the Association shall establish from time to time. However, if the account has been turned over to an attorney or collection agency for collection, such request may be handled through the attorney or collection agent.

12. **Owner Bankruptcy or Foreclosure.** The Association, acting by and through its Board of Directors, shall notify the Association's attorney of any notice of bankruptcy filing by an Owner or foreclosure action upon any Lot.

13. **Referral of Delinquent Accounts to Attorney or Designated Collection Agent.** Upon referral of a delinquent account or enforcement matter to an attorney or designated agent of the Association, such attorney or agent is authorized to, in consultation with the Board of Directors, take whatever action is determined to be in the best interests of the Association and in compliance with this Policy and applicable law, including but not limited to corresponding with the Owner, filing a lawsuit, instituting a foreclosure action, filing a claim or motions in bankruptcy court or in a foreclosure action by another party, or negotiating a reasonable compromise and settlement agreement with the Owner.

**The Knolls Master Association**

\_\_\_\_\_  
Attest

## **The Knolls Master Association**

### **Covenant Enforcement Policy and Procedure**

EFFECTIVE DATE:

BE IT RESOLVED, the Association hereby adopts the following policy and procedure to be followed with respect to the enforcement by the Association of the Declaration of Covenants, Conditions, Restrictions and Easements for The Knolls (“Declaration”) and the duly adopted Association policies, rules, and procedures (“Policies”), and other governing documents for The Knolls, including without limitation the Bylaws of The Knolls Master Association (“Bylaws”) (collectively, “Governing Documents”).

1. **Purpose.** The Declaration and the Colorado Common Interest Ownership Act (“CCIOA”) authorize the Association to take action to enforce the provisions of the Declaration, the Bylaws, the Policies, and certain provisions of CCIOA. The purpose of this Policy is to establish a process for such action by the Association. This Policy does not limit the right of any Member to take any action authorized by the Declaration, CCIOA, or other applicable law against any other Member to enforce a covenant or to abate or enjoin a nuisance or violation of a covenant or other use of real property.

2. **Enforcement Authority.** The Association, acting by and through its Board of Directors or its duly appointed agent may directly request or demand that a Lot Owner or occupant take action to comply with any provision of the Declaration, CCIOA, the Bylaws, or Association Policies or to abate or correct any violation of such provision(s) (“Violation”), and may take legal action to gain such compliance or to correct, enjoin or abate such Violation. The Association may do so of its own accord, or may do so in response to a request or complaint by a Member. If the Violation is also a violation of federal, state, or local laws or regulation, the Board may, in lieu of or in addition to acting directly to enforce such provisions, may request that a complaining Member contact the appropriate government entity to report the alleged Violation.

3. **Fine Schedule.** The Association may adopt and publish to the Members a schedule of fines for Violations of various provisions of the Governing Documents, which fines shall not exceed the limits set forth in this Policy or in the Association’s Collection Policy.

4. **Informal Process. Informal Resolution of Violation.** The Board of Directors or its agent shall first attempt informal resolution of any Violation prior to taking more formal action. Informal resolution may involve one or more phone call(s), email(s), letters, or visit(s) to the Owner of the Lot that is the subject of the alleged Violation to gain voluntary compliance.

5. **Formal Enforcement Action By the Association.** If compliance or resolution of the Violation cannot be attained by informal resolution, the Association may take formal enforcement action, in accordance with the following process:

(a) **Notice of Violation.** The Association shall provide to the Owner a written Notice of the Violation as follows:

- (i) via certified mail, return receipt requested, **and**
- (ii) by physically post a copy at the Owner's residence; **and**
- (iii) by one of the following means:
  - (A) first-class mail, **or**
  - (B) text message to the cell phone number the Owner has provided to the Association, **or**
  - (C) e-mail to the e-mail address the Owner has provided to the Association.

(b) **Contents of Notice.** The Notice of Violation shall contain the following information:

- (i) the nature of the alleged Violation including the specific covenant, rule, policy, or procedure that is alleged to have been violated; and
- (ii) whether the Violation constitutes a risk to health and safety; and
- (iii) the action or actions that the Owner is required to take to cure such alleged violation; and
- (iv) the time for such cure; and
- (v) the timeline for the hearing process described in this Policy; and
- (vi) the interval upon which fines may be levied and the amounts of such fines; and
- (vii) a description of what legal action the Association may take against the Owner, including a court action, and what relief the Association may demand, including damages, payment of fines, declaratory and/or injunctive relief and a description of the cure the Owner may undertake to avoid such legal action.

(c) **Fines, Cure.**

- (i) *Violation of Public Safety or Health.* If the Association reasonably determines that the Violation threatens public safety or health, the Association shall provide written Notice of Violation as set forth in Section 6(b) and 6(c) of this Policy, which Notice shall inform the Owner(s) that they have 72 hours to cure the violation, or the Association may assess a fine or fines.

If after inspection of the Unit, the Association determines that the Owner has not cured the violation within 72 hours after Notice, the Association may impose fines in the amount of \$50.00 every other day and may take legal action against the Owner for the violation.

- (ii) *Other Violations.* For any Violation that does not threaten public safety or health, the Association shall provide written Notice of Violation as set forth in Section 6(b) and 6(c) of this Policy informing the Owner that they have 30 days to cure the violation or the Association, after conducting an inspection and determining there has been no cure, may fine the Owner in amount not to exceed \$500.00. The Association shall provide the Owner with two consecutive 30 day periods to cure the violation before taking legal action against the Owner.
- (iii) *Cure.* Owners shall notify the Association when the Violation has been cured, which notice shall include written and visual evidence of such cure. If the Owner fails to provide visual evidence, the Association shall inspect the Lot as soon as practicable to determine if the Violation has been cured.

The Violation will be deemed cured on the earlier of (1) the date of the notice of cure by the Owner, if such notice satisfactorily demonstrated such cure, or (2) the date of the inspection at which the Director(s) or their agents determined the Violation was cured.

Once a Violation is determined to be cured, the Association shall provide written notice that the Owner will not be fined further for the Violation, and provide a statement of the outstanding fine balance to the Owner. Such notice shall be in the manner described in Section 6(a) of this Policy.

- (iv) *No Cure.* If the Association does not receive notice from the Owner that the Violation has been cured, the Association shall inspect the Lot within seven (7) days after the expiration of the 30-day cure period. If the Violation is not cured, the Association shall (i) provide a second 30-day cure period; or (ii) if two 30-day cure periods have lapsed without a cure, the Association may take legal action against the Owner.

**6. Hearing Option.** An Owner who has received Notice of Violation shall have the opportunity to be heard by the Board of Directors by making a written request, within thirty (30) days of such notice, for an informal hearing to determine whether the alleged Violation actually occurred, and whether the Owner is the one who should be held responsible for the Violation, and whether any fines should be imposed for such Violations, and if so, how much. If the Owner fails to timely request such a hearing, the Owner waives the right to such a hearing. If the Owner

timely requests a hearing, the Association shall, in accordance with the Association's Conflict of Interest Policy, determine if any director has a conflict of interest, and once the Association has resolved conflict of interest issues, if any, the Association shall provide the Owner with at least thirty (30) days' written notice of the date and time of the hearing. The hearing shall be informal and the rules of evidence shall not apply; however, the Owner may be represented at such hearing by an attorney of such Owner's choosing and at such Owner's sole expense. *See also* The Knolls Master Association Policy on Collection of Assessments and Covenant Enforcement for additional details on the hearing process for Violations. In the event of a conflict between this Policy and the Policy on Collection of Assessments and Covenant Enforcement, the provision that is more protective of the Owner's interests shall apply.

**7. Member Request for Enforcement Action.** A Member may make a request in writing that the Association initiate enforcement against another Member for an alleged Violation by such other Member. The Association will consider the request and in its reasonable discretion determine whether or not any Formal Enforcement Action will be undertaken. While it is the policy of the Association to ensure compliance with the Governing Documents, the Association does not have any duty to any specific Member to take any action against another Member.

(a) Contents of Request. The request shall include at a minimum the following information:

- (i) the name and address of the Member alleged to be in violation; and
- (ii) the nature, date, time, duration, and nature of the alleged Violation including the specific covenant, rule, policy, or procedure that is alleged to have been violated; and
- (iii) the names and contact information of witnesses to the alleged Violation; and
- (iv) whether the Violation constitutes a risk to health and safety; and
- (v) the affect the Violation has upon the Member requesting the Formal Enforcement Action or upon The Knolls community; and
- (vi) whether the Violation is continuing; and
- (vii) whether the Member requesting Formal Enforcement Action has been notified of any Violation of their own and whether such Violation has been cured; and
- (viii) whether the Member requesting Formal Enforcement Action has a delinquent account with the Association, whether for dues, assessments, fines, late fees or other charges or penalties; and
- (ix) what action or actions the Member with the alleged violation

should be required to take to cure such alleged violation.

(b) Confidentiality. If requested by the complaining member, the identity of the complaining Member will not be divulged to persons not on the Board of Directors or, if applicable, the ACC, prior to the commencement of a Formal Enforcement Action. Once such action is commenced, however, the identity of the complaining Member cannot be kept confidential from the violating Member or any other Member.

(c) Notification of No Action. If, within the reasonable discretion of the Board, the request does not allege sufficient facts to justify Formal Enforcement Action, or if in the reasonable discretion of the Board such action would otherwise be inappropriate, impractical, unfair, or unreasonable, the complainant will be notified in writing that no action will be taken. The complainant may supplement its request to include more detailed information or may request a reconsideration of the request.

(d) Enforcement Action. If the Board, having reviewed the allegations contained in the complaining Member's request, believes a Violation has occurred and that enforcement action is otherwise appropriate, the Board will notify the accused Member of the violation in accordance with this Policy. The Association may first pursue informal action pursuant to Section 4 above in an attempt to gain voluntary compliance.

**8. Hearing Process.** If the accused Owner timely requests a hearing pursuant to Section 6 above, the following hearing procedures shall apply.

(a) An impartial director shall be selected by the Board of Directors to direct the proceedings at the hearing. The Board shall hear the matter, or an impartial hearing officer may be appointed if needed due to conflicts of interest.

(b) The Board shall determine if any conflicts of interest apply in accordance with The Knolls Master Association Conflict of Interest Policy. Any director(s) who cannot be impartial in the determination of this matter shall recuse themselves from the hearing and shall not participate in the Board discussion of the matter.

(c) The Hearing will be conducted informally under the control of the director selected to direct the proceedings. The rules of evidence that are applicable in a court proceeding shall not apply.

(d) If there is a complaining Member, that Member shall be given an opportunity to present testimony about the alleged Violation.

(e) The Member against whom the Violation is alleged shall be given an opportunity to be heard, and may be represented at the hearing by an attorney.

(f) Other persons having information bearing on the alleged Violation may also, in the discretion of the Board of Directors or hearing officer, be given an

opportunity to speak about the alleged Violation. The Board or hearing officer may reasonably limit the time for such speakers to present information, may limit the subjects on which they are allowed to speak, and may require speakers to not repeat information that has already been stated.

(g) While the goal shall be a full and fair hearing, the Board or hearing officer may make such rules of decorum as they may determine necessary to ensure an orderly and safe hearing for all those in attendance.

(h) The hearing shall be open to any Member who may wish to attend, although the Board or hearing officer may limit who can speak at the hearing to those who have information that bears on the alleged Violation and to prevent unnecessary repetition.

(i) The Board or hearing officer shall have the opportunity to question any person who speaks or presents documentation at the hearing and to review any documentation provided by such speakers.

(h) The Board or hearing officer may make a decision at the close of the hearing, or may take the matter under advisement and render a decision within fifteen (15) days. If the Board reconvenes to discuss the matter, the accused Member and anyone who spoke at the hearing shall be notified and shall have an opportunity to be present at such discussion.

(i) Whether the Board or hearing officer makes the determination immediately or later within the fifteen day period, a written decision shall be issued, including (1) findings of fact, (2) a determination on the alleged Violation, and (3) any fine imposed and the time by which such fine must be paid, and (4) any actions the Member must take to come into compliance or abate the Violation, and a time period for compliance. A copy of the decision shall be provided to the accused Member and each complaining Member. A copy shall also be retained in the Association's records in accordance with the Association's Record Retention Policy.

(j) The decision shall be made by vote of the Board or by the hearing officer. Fines imposed and any payment plan therefore shall be based on the Association's published fine schedule and shall comply with the Association's Policy on Collection of Assessments. The Board or hearing officer must use reasonable discretion in levying fines in accordance with the severity of the violation.

## **9. Miscellaneous Provisions.**

(a) Persons responsible for payment of fines and compliance action shall include the Lot Owner, whether a natural person or legal entity, and the natural person(s) who are the occupants of the Lot.



(b) Any and all money collected from such fines may be deposited in the Association's general operating fund.

(c) In the event the Violation is of a continuing nature or if the Violation constitutes a threat to the health, safety, or welfare of the residents of the property within the community, the Association acting through the Board of Directors may at any time institute an action in a court of competent jurisdiction to enjoin the Violation and to seek other relief allowed under applicable law.

(d) The Association may seek reimbursement of its attorney fees and costs in accordance with Article 16.8 of the Declaration and with the Association's Policy on Collection of Assessments.

(e) Unless otherwise defined in this Policy, terms shall have the meaning specified in the Governing Documents.

(f) The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Association.

(g) The Board of Directors may amend this Policy from time to time.

**President's Certification:** The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

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**President**

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**Attest**

# The Knolls Master Association

## Criteria and Funding Plan

EFFECTIVE DATE:

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for enforcing policies rules and regulations and other governing documents of the Association.

**1. Scope:**

To adopt a procedure and policy outlining procedures to be followed for capital replacement/reserves items.

**2. Specifics:**

There shall be an annual inspection by the Board of Directors and a qualified water system professional, as well as any additional professionals required to assess the condition, likely remaining useful life, and replacement cost of any additional common property identified on the reserve schedule. Such inspection shall identify the components that will eventually have to be repaired or replaced. There shall also be an identification of the projected cost and estimated useful life of the components.

The Board of Directors shall annually assess all association property for long-term capital replacement needs, and shall list all property so identified on a reserve schedule. The Board of Directors may enlist the services of a reserve specialist if it deems appropriate.

There shall be a funding plan based on the reserve schedule. The funds shall be sequestered as soon as allocated amount is sufficient to open a no-fee bank account.

All projects shall be fully-funded. Estimated funds shall be collected every year and sequestered in dedicated account.

**3. Definitions:** Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.

**4. Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association

**5. Deviations:** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

**6. Amendment:** The Board of Directors may amend this procedure from time to time.

**President's Certification:** The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

**The Knolls Master Association**

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**President**

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**Attest**

**SHARED COSTS AGREEMENT  
BETWEEN THE KNOLLS MASTER ASSOCIATION, INC.  
AND  
RAVENNA HILLS HOMEOWNERS ASSOCIATION, INC.**

THIS SHARED COSTS AGREEMENT (Agreement) is dated and effective \_\_\_\_\_, 2023 and is between The Knolls Master Association, Inc., a Colorado nonprofit corporation, whose current address is \_\_\_\_\_, Grand Junction, CO 81506 (Knolls HOA) and Ravenna Hills Homeowners Association, Inc., a Colorado nonprofit corporation, whose current address is \_\_\_\_\_, Grand Junction, CO 81506 (Ravenna Hills HOA). The Knolls HOA and Ravenna Hills HOA may be referred to collectively as the “Parties” and separately as a “Party.”

RECITALS:

- A. The Knolls Master Association is the association identified in the First Amended and Restated Declarations of Covenants, Conditions, Restrictions and Easements (Knolls Master Association CCRs) for the single family detached residential lots in The Knolls Master Subdivision.
- B. The Ravenna Hills HOA, is the association identified in the Declaration of Covenants, Conditions, Restrictions and Easements for The Knolls Townhomes including all amendments thereto (Ravenna Hills HOA CCRs) for the patio homes situated in and referred to, the Knolls Subdivision.
- C. The residents of the single family detached lots under the Knolls Master Association and the residents of the patio home lots under the Ravenna Hills HOA share certain common areas/open spaces and an irrigation water delivery system consisting of four irrigation retention and/or detention ponds, a pump-house with pumping system (Shared Facilities) that deliver irrigation water to the lots within the Knolls Subdivision and grounds providing common areas/open space for the enjoyment of the residents in the Knolls Subdivision.
- D. For the purpose of this document the descriptions of “Common Area” and “Open Space” are used interchangeably.
- E. The Knolls Master Association and the Ravenna Hills HOA have a history of cooperation and sharing of common expenses to operate, maintain, and repair the Shared Facilities and shared grounds allocated 72% (seventy-two percent) to the Knolls Master Association and 28% (twenty-eight percent) to the Ravenna Hills HOA with the exception of Fence Repair and Maintenance.
- F. The Parties desire to memorialize their arrangement by this Agreement.

IN CONSIDERATION of the mutual covenants and promises set forth below, the Parties agree as follows:

**1. Definition of Shared Costs.**

Shared Costs relate to expenses that have been determined to affect both HOAs proportionately to the number of homes within the subdivision. Of 145 homes, 104 homes are located in the Knolls Master section (72%) and 41 homes are located in the Ravenna Hills section, (28%). One exception is Fence Repair which is shared 50%:50%. The shared allocation of common expenses is identified as follows:

- a. Grounds Maintenance-Contract: Costs pursuant to contracts with independent contractors for grounds maintenance and repair of the Common Area/Open Space adjacent to Ponds 1, 2 and 3; Detention Pond 4 on Woodgate Drive; between Piazza Way and 27 ½ Road; north and south of Piazza Way along 27 ½ Road; and along Cortland Avenue.

Grounds Maintenance-Incidental: Costs pursuant to incidental grounds maintenance and repair of the Common Area/Open Space adjacent to Ponds 1, 2 and 3; Detention Pond 4 on Woodgate Drive; between Piazza Way and 27 ½ Road; north and south of Piazza Way along 27 ½ Road; and along Cortland Avenue.

- b. Insurance: Officers and Directors insurance premiums are the responsibility of each HOA. Insurance premiums for commercial general liability and umbrella coverage which includes common area and pump house are shared proportionately by the Parties (72% for The Knolls Master Association and 28% for Ravenna Hills HOA).
- c. Fence Repair and Maintenance in Common Area: Shared costs are 50%:50% as outlined in the Policies & Procedures. Since these expenses are not ordinary/routine and do not occur each and every year, they are treated differently. They are budgeted and recorded by each Party to separate expense accounts. When bills for Fence Repair and Maintenance are paid, two checks are issued: one from Knolls Operating Account and the other from Ravenna Hills Operating Account. Therefore, Shared Costs for Fence Repair and Maintenance are not part of Section 3 – Budget, Assessments and Shared Costs.
- d. Irrigation: Costs for the operation, maintenance and repair of the pump-house and the water delivery system for Ponds 1, 2 and 3 and Detention Pond 4 on Woodgate Drive. Costs for the maintenance and repair of the irrigation service lines within the Open Spaces/Common Area.
- e. Utilities: Electrical charges for the pumps, pump house and entrance lights. Plus charges for irrigation water shares from the Grand Valley Water Users Association.
- f. Special Projects: Special Projects expenses include but not limited to Dredging Pond 1 and Pond 2; Piazza Way Rock/Mulch Replacement; Common Area Edging and 27.5 Road Rock/Mulch Replacement and they are part of the Shared Cost Agreement. Since these expenses are not ordinary/routine and do not occur each and every year, they are

treated differently. They are budgeted and recorded by each Party to separate expense accounts. The split between the Parties is 72%:28%, identical to that described in Section 2 - Allocation of Shared Costs. When bills for Special Projects are paid, two checks are issued: one from Knolls Operating Account and the other from Ravenna Hills Operating Account. Therefore, Shared Costs for Special Projects are not part of Section 3 – Budget, Assessments and Shared Costs.

**2. Allocation of Shared Costs.**

The Parties agree that the Shared Costs shall be allocated 72% (seventy-two percent) to the Knolls Master Association and 28% (twenty-eight percent) to the Ravenna Hills HOA except for fence maintenance which are shared 50%:50% split.

**3. Budgets, Assessments and Shared Costs.**

- a. The Parties shall budget annually for and assess the homeowners an adequate amount for Shared Costs as part of Knolls Master Association annual and Ravenna Hills HOA monthly dues.
- b. All Shared Costs, if not Special Projects or Fence Repair and Maintenance, shall be paid from the Knolls Operating Account.
- c. Each year the total for each shared cost (as defined in section 1.a., b., d and e. above) is included in The Knolls budget as expense items and, if applicable, is spread across twelve months. The Ravenna Hills budget has an expense line item (Dues-Master Association) which represents their share (28%) of the total shared costs spread across twelve months. The same amounts shall be budgeted as monthly income (Ravenna Hills Assessments) for The Knolls spread across twelve calendar months. Actual payment from the Ravenna Hills HOA operating account to The Knolls Master Association operating account is made monthly by an automated funds transfer.
- d. Reconciliation of Shared Costs is necessary once all the actual expense payments have been recorded for the year. The Reconciliation captures the Over/Under Differences in Actual to Budget Amounts. The Treasurer uses a Lookback Period of 2 years to determine if Ravenna Hills HOA was Over/Under charged for Dues paid to Knolls Master Association. The Shared Costs allocation adjustment shall be documented and presented to Ravenna Hills Homeowners for ratification, and the next year's dues will be adjusted accordingly in the Shared Costs calculation.
- e. All transfers, from or to, Capital Reserve Accounts must be approved by the Board.

**4. Duration and Breach.**

This Agreement shall continue in effect unless terminated by either Party. Either Party may terminate this Agreement on not less than six (6) months advance written notice without cause except in the case of a material breach. In the event of a material breach, the non-breaching Party

shall provide written notice of the breach to the breaching Party and the breaching Party shall have fourteen (14) days to cure the breach or commence prompt and effective action to cure the breach and diligently pursue curing efforts until the breach is cured. If a breaching Party fails to cure the breach, then the non-breaching Party may immediately terminate this Agreement and pursue its remedies at law or in equity appropriate under the circumstances.

**5. General Provisions.**

- a. This Agreement shall bind and benefit the Parties and their representatives.
- b. Whenever notice is required, notice shall be in writing and deposited in the United States Mail, postage prepaid, addressed to the Parties.
- c. Any subsequent changes to this Agreement in any aspect including changes to, additions to or deletions of shared costs must be approved by both Parties. This approval must be documented by a written amendment signed by the board members of both Parties.

Dated the year and date first written above. \_\_\_\_\_

THE KNOLLS MASTER  
ASSOCIATION, INC.

RAVENNA HILLS HOMEOWNERS  
ASSOCIATION, INC.

By \_\_\_\_\_  
President

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Vice President

By \_\_\_\_\_  
Vice President

By \_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Treasurer

By \_\_\_\_\_  
Treasurer

NOTORIZED BY \_\_\_\_\_ DATE \_\_\_\_\_

**KNOLLS MASTER ASSOCIATION  
ARCHITECTURAL AND LANDSCAPE REQUEST**

This form is to allow for the approval process of exterior home and landscaping improvement(s). It shall be submitted to the Architectural Control Committee (ACC) prior to beginning your home improvement(s). Please review the Covenants, Conditions and Restrictions (CCRs), and the Architectural Control Policy. The Form, CCRs and Policies are located on the website [www.knollsmasterhoa.com](http://www.knollsmasterhoa.com). Please return form to: CIC Management Solutions, LLC 753 Rood Ave Grand Junction, CO 81501 or you may scan the ACC form to [info@cic-hoa.com](mailto:info@cic-hoa.com).

**\*\*THIS FORM MUST BE APPROVED AND RETURNED TO HOMEOWNER PRIOR TO HOMEOWNER BEGINNING THE PROPOSED PROJECT(S).**

**\*\*THE ACC COMMITTEE HAS UP TO 20 DAYS TO APPROVE OR DISAPPROVE THE PLANS/DRAWING/REQUESTS.**

**\*\*HOMEOWNER IS SOLELY RESPONSIBLE FOR ANY NECESSARY PERMITS AND FOLOWING CODES AND REGULATIONS.**

**DATE OF SUBMISSION:** \_\_\_\_\_

Homeowner Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Address: \_\_\_\_\_

Type of Project(s): \_\_\_\_\_ Proposed starting date: \_\_\_\_\_

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**PROJECT INFORMATION REQUIRED FOR SUBMITTAL**

**Structures:** Driveways, concrete changes (new or replacement), sheds, any exterior home changes.

\_\_\_ Please provide a drawing of your project(s).

\_\_\_ A plot plan or drawing with appropriate dimensions/scale of structure (i.e. sheds, etc.)

\_\_\_ Setback distances (check with City Planning Department for proper setback requirement(s)).

\_\_\_ Description of materials to be used: \_\_\_\_\_

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**FENCES AND LANDSCAPING:**

**\*\*Paint Color for exterior fences is: Sherwin Williams "Monument Fence". This is the only option for color.**

\_\_\_ Drawing(s) with description and location of proposed **landscaping** changes.

\_\_\_ Description of landscaping material(s) to be used: \_\_\_\_\_

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**CHANGING HOUSE COLORS (no approval needed if NOT changing the color):**

\_\_\_ **ALL** Exterior house painting (including trim and gutters) and sheds and any structures require approval.

\_\_\_ Paint chip sample (minimum 2 square inch), must be submitted to ACC. Paint colors may look different than the small swatch therefore a committee member may request the owner to paint a swatch of 3 feet by 3 feet on the wall and also a painted area on the trim. A committee member will contact you to arrange a viewing once the paint is on the wall and/or on the trim. Sherwin Williams "Agreeable Grey" or any color of similar shade value will NOT be accepted. (On a scale of white to black the shade value must be a 3 or more. Consult your paint source professional.)

\_\_\_ Date the paint chip sample received by the ACC member: \_\_\_\_\_

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I have read and understand the conditions and regulations of the ACC set forth in the CCRs) and the Architectural Control Policy for the Knolls and Ravenna Hills HOA. I further understand that up to 20 days may be required for approval once the plans/drawings/requests are submitted.

Homeowner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**APPROVAL FROM ACC:** YES \_\_\_ NO \_\_\_

Signatures of ACC Committee:

1. \_\_\_\_\_ Date: \_\_\_\_\_ 2. \_\_\_\_\_ Date: \_\_\_\_\_

Signature of HOA Board member (as needed): \_\_\_\_\_ Date: \_\_\_\_\_

(Revised: July 2023)



