

The Knolls

At

Springs Ranch

***Home Owner's Association
Board of Director's
Rules and Regulations***

***Developed by:
The Knolls Board of Directors***

Revision 7

1 February 2009

REVISION

REVISION NUMBER	DATE
Basic	01 August 2005
One	25 February 2006
Two	1 June 2006
Three	21 July 2006 –SSB 100 attachment added
Four	26 August 2006, Out of control landscaping
Five	12 Nov 06, Add newest board members and meeting dates for 2007
Six	19 May 07, Update BOD and meeting dates
Seven	1 Feb 09, Update, modifications for disabilities, renewable energy devices

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**The Knolls at Springs Ranch (Knolls)
Home Owner's Association (HOA)
Board of Directors (Board)**

Business Plan

Purpose

This document is provided to clarify covenant guidance to The Knolls Board of Directors, hereafter known as the Board, and to each home owner within the Knolls, hereafter known as the Member. This business plan lays out the Board's objectives and goals.

This document also lays out the ground rules which the Board must abide by to ensure non-discriminating standards are met, meetings are planned and scheduled, budgets are set and followed, long term plans are in place that benefit the HOA.

Scope

The Business Plan applies to all Members or Occupants who directly reside in the Knolls within Colorado Springs, CO. The Business Plan applies to all Members and Occupants within the HOA's community without regard to age, race, religion, marital status, or sexual orientation. Applicable laws and ordinances of the State of Colorado and the City of Colorado Springs take precedence over this document.

Board Mission Statement

Providing all Members and Occupants of the HOA an environment that ensures a pleasant neighborhood which is a source of pride, while recognizing the autonomy of each individual Member and Occupant.

The Knolls Architectural Control Committee Mission Statement

Providing all Members or Occupants of the HOA the means necessary to protect and enhance the quality, value, desirability and attractiveness of all property of the HOA, within the covenant defined duties, powers and rights.

The Knolls HOA

The Knolls HOA is on File with the State of Colorado under file # 199991123734, June 30, 1999. Article 1, General provides a declaration of Covenants, Condition, Restrictions, and Easements for the HOA.

Board of Directors

A Board shall be established for The Knolls HOA through the election of officials from candidates currently owning homes and in good standing within the HOA's community. The Board shall manage the affairs of the HOA. The number, terms and qualifications of the Directors shall be fixed in the Articles of Incorporation and By-Laws of the HOA. Article 7, HOA Operation and Article 8 Duties and Powers of HOA cover the HOA's structure, Board, membership in community HOA, voting rights of members, general duties and power of the Board, duty to manage and care for property, duty to pay taxes, duty to maintain Insurance, power to enforce HOA documents, power to grant easements, and power to employ managers.

Knolls Board
President
Vice President
Secretary
Treasure
Member at Large
Member at Large
Member at Large
Knolls Architectural Control Committee

Description of the Springs Ranch Master HOA

The Springs Ranch Community HOA is a Colorado non-profit corporation, pursuant to the Declaration of Covenants, Conditions, Restrictions and Easements for the Springs Ranch as recorded Feb 23, 94, at Reception No. 094024786, Book 6386, and Page 103. The Springs Ranch Community HOA is responsible for the installment and maintenance of Landscaping and fencing along Peterson Road to North Carefree Circle within the Springs Ranch development in Colorado Springs, Colorado.

History

When the Spring Ranch plans and covenants were presented to the City of Colorado Springs, only one HOA was planned. This HOA was to be the Springs Ranch Community HOA. The City of Colorado Springs believed the HOA was too large and should be divided into smaller HOAs. Thus the Springs Ranch Community HOA was divided into approximately 12 smaller units of which the Knolls is one.

The Springs Ranch Community HOA was the first and largest HOA in the subdivision to be formed and consisted of over 700 homes. As such, the developer gave the Springs Ranch Community HOA the responsibility of contracting the maintenance for the common areas of Peterson Road and North Carefree. For reasons unknown, the developer formed a Master HOA with the intent of removing the maintenance responsibilities from the Springs Ranch Community HOA only to dissolve the Master HOA around 2006 thus returning the maintenance contracting responsibility back to the Springs Ranch Community HOA.

The interaction between the Springs Ranch Community HOA and the Knolls is spelled out within The Knolls at Springs Ranch Home Members HOA, Inc, Covenants, Conditions and Restrictions and HOA, Inc document. Article 11, Section 11.9 states:

“Special Maintenance Assessment”: In addition to the Common and Special Assessments provided for in this Article 11, each Lot will be equally assessed a Special Maintenance Assessment. The Special Maintenance Assessment shall be used for the installation and maintenance of Landscaping and fencing along the publicly dedicated streets known as North Carefree Circle and Peterson Road within the Springs Ranch development in Colorado Springs, Colorado. The amount of the Special Maintenance Assessment will be equal to the amount assessed by The Springs Ranch Community HOA, Inc., a Colorado non-profit corporation, pursuant to the Declaration of Covenants, Conditions, Restrictions and Easements for The Springs Ranch as recorded February 23, 1994, at Reception No. 094024786, Book 6386, page 103, in the records of the County of El Paso, State of Colorado, including all amendments thereto, for the installment and maintenance of Landscaping and fencing along Peterson Road and

North Carefree Circle within the Springs Ranch development in Colorado Springs, Colorado. Notwithstanding the foregoing, if lots other than single-family residential lots are added to the Community Area, the amount of the Special Maintenance Assessment for each such Lot shall be determined as provided in Section 12.3.”

This special maintenance assessment constitutes a \$10/quarter fee which our members pay through the Knolls HOA.

HOA Property Manager

Courtney and Courtney
6285 Leham Drive #100
Colorado Springs, CO 80918

Manager Jane Chadima – (719) 494-1219

The HOA Board Role

The HOA’s Covenants, Conditions and Restrictions and HOA By-Laws, September 2000, Article IV Officers and Agents provides our guidance for number of officers, elections, compensation, removal, vacancies, and authority and duties of officers. Section IV.6 specifically defines the Presidents, Vice-Presidents, Secretary, and Treasures authority and duties.

Employment of a Property Manager

The Board is best served when all members are fully aware of the responsibilities of the property manager. This can be accomplished through a review of the contract.

Guidance on Board Meetings and Election of Officials

By agreement of the Board in February 2006 and recorded in Board minutes, it was agreed up that the election for the President, Secretary and two Members at Large will be held in October of each year. The Vice President and the Treasure will be elected in a second election six months later (April). This staggering of elections will allow an overlap of experience on the board by ensuring a six-month overlap of officers.

Emergency Procedures

The following guidelines have been adopted to ensure that the Board continues to operate under emergency situations. These emergency procedures are not intended to replace city or state emergency procedures as a result of a fire, theft, or other emergencies.

- Sudden loss or departure of a Board member

In the event that a position is vacated, the position of the member will dictate the method used to replace that member. The President and Vice President are positions that must be voted into office. A loss of the President will be temporary filled by the person currently appointed as the Vice President. A general meeting will be called within 30 days and a special election will be held for the vacant position.

If we experience a Vice President vacancy, the Secretary will fill the position. At the next scheduled general membership meeting a special election will be held and the new Vice President will be voted into office.

With the vacancy of either the Secretary or the Treasurer, a special meeting by the Board will be held to vote in replacement.

The vacancy of a Member at Large may be filled by a selection of a member by the Board President with notification to the remaining Board members.

- Sudden termination of the Property Manager

A Property Manger is on contract with the Knolls HOA.

If the HOA experiences a vacancy of the Property Manger, by Board vote or voluntary resignation it is the responsibility of the Board to ensure that all the documentation and financial assets are in kept in order by every means possible and ensure an orderly transfer to the new Property Manager.

- Loss of insurance coverage

The Knolls HOA is required by Covenant and By-Laws to keep the HOA insurance in affect at all times. In the event we lose our insurance due to unforeseen events, the Board President or in his or her absence the Vice President will ensure every effort is made to resolve the issue or to instate new insurance.

- Reserve Analysis

The Board has established a contingency fund to handle emergencies. This fund is handled by the Treasure with co-signature of Board. Funds are to be kept in an insured, low risk, and interest bearing account until such time they are needed. Use of the funds will be by majority Board vote.

Calendar of Events

A schedule of meetings will be kept posted. These meetings will be scheduled shortly after the new Board members take office in October each year. Meetings may be combined if agreed upon by the Board. Board meetings are normally on the second Monday of each month as long as facilities are available. The scheduled meetings are listed below:

- Architectural Committee meeting (generally in conjunction with Board Meeting)
- Board meeting (10 annually)
- Budget meeting (2 a year)
- Long Term Planning Meeting (2 a year)
- General meeting (4 annually)
- Hearings (as needed)
- Operations meeting (annually). To include review of business plan.
- Due dates for annual, quarterly, and monthly dues
- Home Owner Education of Policy and Guidance (annually)
- Board Member education (annually)
- Property Manager Contract renewal meetings every three years. Next meeting is 2009.

Physical Asset Inventory

Currently the physical property owned by the HOA is limited to the three common areas as described in the HOA's Covenants, Conditions and Restrictions and HOA By-Laws, Printed September 2000, Exhibit C-1.

Fraud Prevention

Methods of Fraud prevention regarding contractual obligations:

1. Only elected members of the Board can contractually obligate the HOA.
2. Signatures of two or more directors should be required to contractually obligate the HOA. . At least one signature needs to be from an officer (President, Vice President, Secretary or Treasurer).

Methods of Fraud prevention regarding finances:

1. Contracts will be used for all of the HOA's financial obligations.
2. Only Board officers (President, Vice President, Secretary and Treasurer) should have signature authority on the HOA's checking account(s).
3. The property manager should provide a summary of income and expenses along with bank statements and other supporting documentation to the Treasurer each month. In lieu of a property manager, the Treasurer can provide this information to the Board.
4. Income and expenses should be balanced to the bank statement on a monthly basis.
5. Proper documentation (receipts, contracts, etc.) should accompany check requests and the purpose of the check should be clearly written on the request.
6. A payment cannot be requested and approved by the same person.
7. Invoices for services need to be itemized. For example, the property manager's invoice must have the management fee, copying expenses, postage, etc. listed separately. Documentation must be included for non-contractual items (i.e., copying and postage).
8. When paying expenses for multiple HOAs, the property manager should pay for the Knolls' expenses separately and provide a receipt for the costs.
9. Finances should be reviewed by the Board and approved by the general membership annually.

Delinquency Assessment Policy

All assessments guidelines are provided in the HOA's Covenants, Conditions, and Restrictions and HOA By-Laws, Article 11, Assessments.

Annual Manager, Operating and Reserve Budget Review Procedures

The Board is responsible for the implementation and planning of the annual budget, schedule, and the 5 year plan for the HOA. The budget, schedule, and five year plan is to be updated annually. The Board will use the annual operating budget and schedule to plan and work necessary events throughout the coming year to include budget reviews, hearings, Board meetings, and general membership meetings. The Board will review the annual budget, schedule, and 5 year plan making changes as needed to keep the Board and the HOA on track to meet its goals.

Newsletter Publication Procedures

The Knolls Newsletter will be published every six months; typically in January and June. The articles will be a collection of information put together by the board. The newsletter should be two to three pages long and cover general information useful to the Members. It shall also include notices of upcoming meetings for both the Board and for the general membership meetings. If possible the newsletter will coincide with a mailing that must be done by the property manager. The newsletter will be mailed to all HOA members. The newsletter will also be posted in the Knolls web site.

Insufficient Funds Collection Policy

All money for the HOA is handled through the property manager. Checks returned for insufficient funds will be handled according to the procedures established by the Managing Agency.

Billing and Notification of Meetings

Annual HOA dues are payable by the first of January each year. There are options on the method of payments such as monthly, quarterly, or yearly. Penalties for failure to pay dues on time are described below. The Board will ensure that when notification is sent out to the Member that the notification is presented in the form of a bill from the HOA and that due the amount and due dates are clearly stated. No comments on penalties or other retribution will be printed on the bill.

Meeting notices will be presented as a postcard with only the information provided to announce the meeting, date, time, and location. Agenda issues and other information that will be part of the meeting will be handed out at the meeting as the Members arrive for the meeting.

Fines and Lien Policy

It is essential that our HOA is consistent and equitable in the application of rules and penalties for infractions. Inconsistent enforcement of the rules and fines can cause a rift in the community. To avoid this, the Board has adopted a Schedule of Fines that clearly lay out the rules and penalties. The penalties are monetary. The Schedule of Fines puts all Members on notice and just as importantly, the Board members are held to a consistent standard.

The HOA Bylaws grant the Board the power to conduct HOA business and protect community harmony by providing guidelines and a consistent procedure to address conditions that would disrupt that harmony.

LET IT BE RESOLVED THAT the following Schedule of Fines will be followed:

Fines for specific offences are:

Schedule of Fines

Section	Narrative
<i>Article 3 Section 3.1</i>	<i>Property Use</i>
<p><u>Violation Examples:</u> Running a small business out of one’s home, which results in: Increased neighborhood traffic, increased noise, commercialization of the residence, or a nuisance to surrounding neighbors. Storing commercial items on the property, or converting a garage to commercial space. Operating a ‘bed and breakfast’ out of a residence.</p> <p><u>Standing Exemptions:</u> Babysitting, licensed home daycare.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member’s record for no longer than five years.</p>	

Article 3 Section 3.2	Improvements
	<p><u>Violation Examples:</u> Living in a tent, trailer or any other temporary quarters while making improvements to a dwelling.</p> <p><u>Standing Exemptions:</u> None.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member's record for no longer than five years.</p>

**Article 3 Section
3.3**

Storage

Violation Examples: Unsightly storage of building, landscape, or fencing materials on a property for any extended period, except during continuous construction.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **15** days, a certified letter will be sent at the expense of the Member again requesting correction of the violation and informing the Member and/or Occupant that a fine will be initiated **15** days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a health or safety hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

**Article 3 Section
3.7**

Control During Construction

Violation Examples: Failure to mitigate dirt and dust; failure to keep surrounding streets reasonably clean; failure to keep construction debris confined in a trash receptacle.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **15** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **15** days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a health or safety hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 4 Section 4.4 | Exterior Materials and Colors

Violation Examples: A Member and/or Occupant installing any siding or other exterior material without pre-approval of the Architectural Committee. A Member changing the color of their home's exterior without pre-approval from the Architectural Committee.

Standing Exemptions: A Member and/or Occupant re-painting their home or touch-up painting in the homes existing color(s).

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

<i>Article 4 Section 4.5</i>	<i>Roofs</i>
<p><u>Violation Examples:</u> A Member and/or Occupant installing new roofing material without prior approval from the Architectural Committee.</p> <p><u>Standing Exemptions:</u> Member and/or Occupant may repair or replace roofing material with material of same composition and color.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member's record for no longer than five years.</p>	

Article 4 Section 4.6 | Antennae and Roof Projections

Violation Examples: A Member and/or Occupant installing any antennae, including satellite dish, microwave receiver, short-wave tower, or other projection on their home's exterior or any other location on their lot without prior approval of the Architectural Committee.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: **\$5.00** a day, starting 30-days from postmark of the certified violation notice, continuing for **120**-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 4 Section 4.7	Rebuilding or Restoration
<p><u>Violation Examples:</u> Failure to rebuild or restore the dwelling unit or other improvement with reasonable promptness following a fire or wind storm</p> <p><u>Standing Exemptions:</u> None.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> Initial notifications of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a health or safety hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member's record for no longer than five years.</p>	

Article 4 Section 4.8 | Fences

Violation Examples: A Member and/or Occupant installing any new fence without prior approval by the Architectural Committee.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 4 Section 4.9 | Dog Runs

Violation Examples: Erecting a dog run without prior approval by the Architectural Committee.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: **\$5.00** a day, starting 30-days from postmark of the certified violation notice, continuing for 120-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 5 Section 5.1 | Building and Grounds Conditions

Violation Examples: A Member and/or Occupant failing to maintain the exterior of their home, lot landscaping, fencing, other structure(s) (e.g., shed, children's play structure, etc) or any other improvement.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a safety hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager. **Additionally, the HOA may affect required repairs, at the expense of the Member, after providing 30-days written notice.**

Violation fines: \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

<p>Article 5 Section 5.2</p>	<p>Maintenance Equipment</p>
<p><u>Violation Examples:</u> A Member and/or Occupant storing tools, lawnmowers, snow blowers, implements or other similar maintenance equipment where it is easily visible from neighboring property or adjoining streets.</p> <p><u>Standing Exemptions:</u> None.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a safety hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member's record for no longer than five years.</p>	

Article 5 Section 5.3 Refuse

Violation Examples: A Member and/or Occupant placing a trash can where it is visible from the street (except on trash pickup day); storing piles or bags of lawn clippings in the front of the home; other specific examples as listed in the CC&R.

Standing Exemptions: Trash cans (& recycle containers if applicable) may be placed at the curb on the evening before trash pickup day.

Request for Waiver: The Board in cases of emergencies may grant Exceptions – Member and/or Occupant should inform the property manager by phone, e-mail or in writing that an emergency has occurred.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation and informing them that fines will be initiated if the violation is not corrected within 14 days. If the violation is not corrected within **14** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines have been initiated as of the postmark on the certified letter. *If, in the view of the Board, the violation poses a safety hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$5.00 a day for violations involving improper receptacle storage; \$10.00 a day for improper storage of refuse or trash, both starting 14-days from initial violation notice, continuing until fines reach \$600 or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

**Article 5 Section
5.4**

Nuisances

Violation Examples: Noise should not emanate from any property where it can be heard by adjacent properties between 9 PM and 7 AM. Audio equipment (radio, TV, etc.) being played on or within a property and emanating outside where it can be heard by other Member and/or Occupant. Other examples as described in the CC&R.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: First-time violators will be notified via a first class letter. Second-time violators will be notified again via first class letter, and will be informed that future violations will result in fines. Three (or more)-time violators will be informed via a certified letter, at their expense of the Member, informing them of the violation and of the subsequent fine.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Previous violators of this covenant who do not violate this covenant within 365-days of their last violation, and are in good standing with the HOA, will have their previous violations removed from their record.

Violation fines: A third violation will result in an immediate fine of \$25. Subsequent fines will increase incrementally by \$25 with a maximum incident fine of \$100.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 5 Section 5.5 | Sound Devices

Violation Examples: Installation of exterior speakers, horns, whistles, bells or other devices, except as part of a home security system

Standing Exemptions: Discretionary use of wind chimes shall be allowed.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Previous violators of this covenant who do not violate this covenant within 365-days of their last violation, and are in good standing with the HOA, will have their previous violations removed from their record.

Violation fines: **\$5.00** a day, starting 30-days from postmark of the certified violation notice, continuing for 120-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

**Article 5 Section
5.6**

Landscaping

Violation Examples: Changing landscaping or making improvements (See Section 2.14) to landscaping without approval from the Architectural Committee. Failing to maintain landscaping or improvements as approved by the Architectural Committee. Exposed dirt on any property. Lack of grass or dead grass in the front yard.

Allowing lawn grass to exceed 6-inches in height. Other examples as specified in Section 5.6 of the CC&R.

Standing Exemptions: Re-seeding, re-planting or planting replacement sod on lawns or flowerbeds is authorized.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: **\$10.00** a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 5 Section 5.7 | Weeds

Violation Examples: Failure to remediate lawn infections of grubs, fungus or other noxious plant diseases. Allowing any noxious weed to grow to the extent that it begins to produce seed or spreads. Or other examples as identified in Section 5.7 of CC&R.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: **\$10.00** a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 5 Section 5.9 | Grading Patterns

Violation Examples: Making property improvements that change the drainage pattern such that it influences neighboring properties. Or other examples as identified in Section 5.9 of CC&R.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a hazard, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: **\$10.00** a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

<p>Article 5 Section 5.10</p>	<p>Animals</p>
<p><u>Violation Examples:</u> Chaining or leashing a dog unattended in the front of the home. As specified in Section 5.10 of CC&R, and Colorado Springs City Code.</p> <p><u>Standing Exemptions:</u> None.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 30 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a hazard or nuisance, the Board may request immediate correction and may impose fine initiation at the time of notification.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member’s record for no longer than five years.</p>	
<p>Article 5 Section 5.11</p>	<p>Parking of Vehicles</p>
<p><u>Violation Examples:</u> A Member and/or Occupant parking a vehicle on the street between the hours of midnight and 6 AM. Other violation examples as per the CC&R.</p> <p><u>Standing Exemptions:</u> None. However, short term overnight parking of vehicles on the street or parking of trailers, motor homes, etc, is permitted by notifying the property manager in advance.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> Overnight Parking Violations: First-time violators will be notified via a first class letter. Second-time violators will be notified again via first class letter, and will be informed that future violations will result in fines. Three (or more)-time violators will be informed via a certified letter, at their expense of the Member, informing them of the violation and of the subsequent fine. All Other Violations: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 15 days, a certified letter will be sent at the expense of the Member and/or Occupant, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 15 days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a hazard or nuisance, the Board may request immediate correction and may impose fine initiation at the time of notification.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Overnight Parking Violations: Previous violators of this covenant who do not violate this covenant within 365-days of their last violation, and are in good standing with the HOA, will have their previous violations removed from their record. All Other Violations: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> Overnight Parking Violations: A third violation will result in an immediate fine of \$25. Subsequent fines will be \$25. All Other Violations: \$10.00 a day, starting 15-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member’s record for no longer than five years.</p>	

**Article 5, Section
5.12**

Inoperative Vehicles

Violation Examples: Parking an inoperative vehicle on the street or on the lot.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 15 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 15 days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a hazard or nuisance, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$10.00 a day, starting 15-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

**Article 5 Section
5.13**

Vehicle Repairs

Violation Examples: Servicing, dismantling or painting a vehicle outside the enclosed improvement such as a garage.

Standing Exemptions: None.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: First-time violators will be notified via a first class letter. Second-time violators will be notified again via first class letter, and will be informed that future violations will result in fines. Three (or more)-time violators will be informed via a certified letter, at their expense of the Member, informing them of the violation and of the subsequent fine.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Previous violators of this covenant who do not violate this covenant within 365-days of their last violation, and are in good standing with the HOA, will have their previous violations removed from their record.

Violation fines: A third violation will result in an immediate fine of \$25. Subsequent fines will be \$25.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Article 5 Section 5.14	Signs
<p><u>Violation Examples:</u> Installation of banners, flags, lights or streamers to draw attention to a house for sale or rent.</p> <p><u>Standing Exemptions:</u> “Garage Sale” signs may be erected while sales are active. Signs must be taken down upon conclusion of the sale. Political signs may be erected in accordance with city ordinances, and must be taken down the day after voting day.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 15 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member that fines will be initiated 15 days after the postmark on the certified letter.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$5.00 a day, starting 15-days from postmark of the certified violation notice, continuing for 120-days or until resolution, whichever is less.*</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member’s record for no longer than five years.</p>	

Article 6 Section 6.2

Approval Required

Violation Examples: Any Improvement (as defined by section 2.14) started or finished without prior approval from the Architectural Committee. Plans must adhere to specifications as per Section 6.3.

Standing Exemptions: Re-seeding or re-planting existing approved lawns or flowerbeds are authorized.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within **30** days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated **30** days after the postmark on the certified letter. *If, in the view of the Board, the violation poses a hazard or nuisance, the Board may request immediate correction and may impose fine initiation at the time of notification.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: **\$10.00** a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.*

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member's record for no longer than five years.

Schedule of Fines

Section	Narrative
<i>General</i>	<i>Director Intervention</i>
<p><u>Violation Examples:</u> Ongoing violation(s) of any covenant(s) that leads to the direct intervention by the Directors to correct. Ongoing violations meaning where the Member has received the proper notifications to correct a violation, fined and has reached the \$600 fine limit set on most violations. Direct intervention means the need to hire an outside agency to correct the violation. Examples are cutting of out of control weeds, fixing of broken fences, or the painting of a neglected home.</p> <p><u>Standing Exemptions:</u> A Member may appeal the decision of the Directors when a plan is in place and being executed within 120 days of notification.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Follow up activity by a Director or the Property Manager.</p> <p><u>Method of Violation Notice:</u> A notification of the pending action will be made via a first class letter to the Member stating the Directors intention to bring in an outside contractor to correct the ongoing violation(s) and the costs associated with doing so. If the violation is not corrected within 120 days, a certified letter will be sent at the expense of the Member. This certified letter shall state the fines imposed, the cost of processing, the amount of the fine, the lien, cost of contracting the work, and the date the work will be carried out.</p> <p><u>Methods of Dispute:</u> Member may dispute the Director decision in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member correcting the violation and notifying the property manager with 120 days. Corrections of the violation after the 120 day grace period but before contractor arrival will result in costs assessed for processing and contractor cancellation.</p> <p><u>Violation fines:</u> An initial fine of \$600 will be assessed. Property manager cost will be billed to the Member at \$60.00 an hour. Contractor cost will be assessed for actual cost.</p> <p><u>Lien:</u> Lien is placed on the property when the contracted work is completed.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member's record for five years after the lien is paid.</p>	

Schedule of Fines

Section	Narrative
<i>Colorado House Bill 08-1135</i>	<i>Disabilities</i>

Introduction: A new section was added to Colorado Common Interest Ownership Act (CCIOA) that prohibits HOAs from prohibiting “reasonable modifications to a Unit or to common elements as necessary to afford a person with disabilities full use and enjoyment of the unit in accordance with the Federal ‘Fair Housing Act of 1968.’” The Knolls HOA will not institute nor allow any act of the Board that will conflict with the provisions of the Fair Housing Act. If any section of the Knolls HOA Housing Covenant should come in conflict with those of the Fair Housing Act, the Fair Housing Act will take precedence. However, the Knolls HOA must continue to ensure that The Knolls area remains a safe and desirable place to live. In this regard the Board will continue to require that any modifications to any home or dwelling receive the approval of the Architecture Committee before any said modification can be made. This continues to follow the present guide lines set up by the board.

Disabilities: Knolls HOA Members may install common elements necessary to afford a disabled family member with full use and enjoyment of the unit. The Member must submit relevant plans to the Knolls HOA Board at least 30 days prior to the installation of such modifications with the exception noted below. In the event that devices shall be attached permanently to the home, the Member will provide a copy of all permits required by the City of Colorado Springs. In the event that the Member is selling the home to an individual or family that does not desire such element(s), the board reserves the right to direct the Member to remove the element and return the home to its original design.

Violation Examples: Modifications that are seen as unsafe by the Knolls HOA Board; elements installed by the Member that do not have the necessary permits; elements that are left in place after the disabled family no longer needs the device, no longer resides in the home, or dies.

Standing Exemptions: Emergency modifications to a home needed by the home Member to care for a member of the family that has been unexpectedly disabled. The Member shall in this case notify The Knolls HOA in writing within 90 days explaining the need for the emergency modification. In any case The Knolls HOA reserves the right to have the home Member replace, repair or remove any said structure that is deemed unsafe or degradation to the Knolls.

Request for Waiver: In writing to the Property Manager.

Method of Notification: Complaint, Observation

Method of Violation Notice: An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 60 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter.

Methods of Dispute: Member and/or Occupant may dispute violation in writing to the Property Manager.

Violation Resolution: Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.

Violation fines: \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.

Lien: Lien is placed on the property when fines reach \$600.00.

Duration: All documentation related to the violation will remain in the Member’s record for no longer than five years.

Schedule of Fines

Section	Narrative
<p>Colorado House Bill 08-1270</p>	<p>Renewable Energy Devices</p> <p><u>Introduction:</u> A new section was added to CCIOA that restricts The Knolls HOA from prohibiting the use of renewable energy generation devices. Essentially meaning the restriction of solar energy devices and wind-electric generators. If any section of the Knolls HOA Housing Covenant should come in conflict with those of House Bill 08-1270, the House Bill will take precedence. However, the Knolls HOA must continue to ensure that The Knolls area remains a safe and desirable place to live. In this regard the Board will continue to require that any modifications to any home or dwelling receive the approval of the Architecture Committee before any said modification can be made consistent with existing covenants, conditions, restrictions and easements.</p> <p><u>Renewable Energy Devices:</u> A Member may install renewable energy generation devices, either solar or wind driven, provided the Member submits relevant plans to the Knolls HOA Board of such devices at least 30 days in advance of the installation. In the event that the devices or devices are to be attached to the house, the Member will ensure that a copy of all necessary city and state permits are submitted to The Knolls HOA along with the request for approval. In every case the Member will make every effort to make the renewable energy device as inconspicuous as possible in an effort to not diminish the value of the Knolls neighborhood.</p> <p><u>Violation Examples:</u> Any renewable energy generation device installed without the consent of The Knolls HOA; renewable energy devices that are determined by The Knolls HOAs to be a safety hazard; renewable energy devices that either violate the aesthetics of the neighborhood or block the view of nearby Members; renewable energy devices that are not in conformance with regional building codes and electrical safety standards; renewable energy generation devices that generate a noise or hum during operation loud enough to be heard by neighbors.</p> <p><u>Standing Exemptions:</u> Commercially available retractable clothes lines may be installed as long as they are within the fenced boundaries, do not restrict the views of neighboring homes and cannot be seen from the front sidewalk of the home where the device is installed.</p> <p><u>Request for Waiver:</u> In writing to the Property Manager.</p> <p><u>Method of Notification:</u> Complaint, Observation</p> <p><u>Method of Violation Notice:</u> An initial notification of a violation will be made via a first class letter to the Member and/or Occupant, requesting correction of the violation. If the violation is not corrected within 60 days, a certified letter will be sent at the expense of the Member, again requesting correction of the violation and informing the Member and/or Occupant that fines will be initiated 30 days after the postmark on the certified letter.</p> <p><u>Methods of Dispute:</u> Member and/or Occupant may dispute violation in writing to the Property Manager.</p> <p><u>Violation Resolution:</u> Resolution can come through the Member and/or Occupant correcting the violation and notifying the property manager.</p> <p><u>Violation fines:</u> \$10.00 a day, starting 30-days from postmark of the certified violation notice, continuing for 60-days or until resolution, whichever is less.</p> <p><u>Lien:</u> Lien is placed on the property when fines reach \$600.00.</p> <p><u>Duration:</u> All documentation related to the violation will remain in the Member's record for no longer than five years.</p>

Miscellaneous Areas

Xeriscape Landscape Guidelines

Colorado Senate Bill 100 now allows Xeriscape as an acceptable form of landscaping.

The Board has not rescinded the sod requirement of CC&R paragraph 5.6 and has always strived to enforce this covenant for the betterment of the community. Most Members in the HOA have been able to maintain their lawns while staying within the water restrictions imposed by the Colorado Springs Utilities.

Due to requests by individuals for approval of Xeriscape front yards, the Board has adopted and will enforce the following guidelines:

- I. The lenient policy of 40% sod coverage is not officially rescinded. This requirement will be immediately enforced upon the removal or substantial reduction of Colorado Springs Utilities water restrictions as they are defined today.
- II. Xeriscape is not to be confused with Zero-scape. Any landscape can be a Xeriscape if attention is given to conserving water. Xeriscape is a method, not a style, of landscaping. Home landscapes of rock and cactus are the true Zero-scape. Zero-scape will not be approved.
- III. Xeriscape does not require a change in lifestyle and can, in fact, include Kentucky bluegrass or other turf types. Some sod will still be required in all landscape plans to be approved. The type and location of turf areas should be considered a major design element of the landscape.
- IV. The Seven Principles of Xeriscape as defined and published by the Colorado Springs Utilities (<http://www.csu.org>) will be used as a guideline when Xeriscape plans are submitted for approval.
- V. All changes in landscape design must still be submitted for approval by the ACC.
- VI. All landscapes will still be maintained appropriately. Proper pruning, weeding and fertilization, plus attention to the irrigation system, will preserve and enhance the quality of the plan.
- VII. Plans submitted should clearly indicate on the drawing the outline of the 40% sod requirement; that will be enforced (Member will install), upon the substantial reduction or termination of water restrictions.
- VIII. Plans submitted should indicate clearly and concisely how the soil is to be amended, with what, how much, and where.
- IX. Plans submitted should list clearly and concisely the plants, trees, shrubs, and grasses to be used and thoroughly mark the plan as to their locations.
- X. Plans submitted should list clearly and concisely the type, color, size and location of any mulch to be used.
- XI. Plans submitted should list clearly and concisely the type, color, size and location of any inorganic materials, such as rock, pavers and bricks.
- XII. Plans submitted should list clearly and concisely the irrigation system to be installed. Designate all irrigation zones, sprinkler heads, and drip system zones.
- XIII. When the landscape plan is to be phased in, detail each phase including complete date schedules.

Xeriscape is a method of landscaping, not a style of landscaping. It differs from conventional landscaping primarily in the way water is used in the landscape. The haphazard placement of a few “dry” plants, complete removal of all sod, use of artificial turf, and wide expanses of mulch will not be approved as a Xeriscape plan for front yard landscapes.

HOA/Architecture Committee Infraction Form

HOA/Architecture Committee Infraction Notice		
Date:		
Home Owner:		
	Name:	
	Address:	
Description of Offense:		
Subsequent Identification of Infraction:		
CC&R Article Number:		
CC& Section Number:		
CC&R Section Name:		
Description:		
Comments:		
Forward to The Realty Corner:		
Date:		

Sample Letters

Notice of Hearing

NOTICE OF HEARING

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED & FIRST CLASS MAIL

February 20, 2009

Patrick and Susan Newcomer
4464 Golf Club Drive
Colorado Springs, CO 80922

Dear Mr. and Ms. Newcomer:

This office is the managing agent for The Knolls HOA, Inc. a Colorado nonprofit corporation (hereinafter the “HOA”). The HOA was formed pursuant to that certain Declaration of Covenants, Conditions, Restrictions and Easements for The Knolls HOA, Inc., recorded May 23, 2000 at Reception No. 200058097 of the El Paso County, Colorado real property records, and any subsequent recordings thereto, (hereinafter the “Covenants”). Your property is, of course, subject to the Covenants.

You have already been notified that you are in violation of the Covenants, yet the violation has continued. Therefore, pursuant to its rights granted by state law (Colorado revised Statute C.R.S. 38-33.3-302(1)(k), and pursuant to its rights set forth in the Covenants (Section 11.11), the Board of Directors of the HOA hereby notifies you of a hearing on the matter of parking on the street between the hours of midnight and 6:00 am.

The hearing will be held before the Board of Directors on Tuesday, February 22, 2005 at 6:30 p.m. at Springs Ranch Elementary School in the Cafeteria. At that hearing, you will be given an opportunity to be heard. The Board may then, upon a finding of the violation of the Covenants, levy a fine against you and your property which may be payable immediately. The Board further reserves the right to also pursue other rights and remedies simultaneously or subsequently.

If you have any questions about the hearing, please contact me at the phone number listed above. However, please reserve your comments and defenses, if any, regarding the violation to the hearing before the Board.

Parking Violation

February 20, 2009

Patrick and Susan Newcomer
4464 Golf Club Drive
Colorado Springs, CO 80922

Dear Mr. and Ms Newcomer:

Please be advised that our nightly Parking Report indicates the following vehicle(s) was/were parked on the street overnight in the vicinity of your home:

3/13/05	Toyota Truck	Blue	CO License
XXXX			

Unless an exemption is on file, this constitutes an infraction of Section 5.11 of the Springs Ranch **Covenants, Conditions and Restrictions**, even if the subject vehicle belongs to a guest, tenant, or visitor at your address. This parking restriction is enforced from Midnight to 6:00 A.M.

The governing documents of **The Knolls @ Springs Ranch** exist to enhance and preserve the appearance of your neighborhood, and the quality of life and value of homes within the entire Springs Ranch Community. Your cooperation with the above-referenced parking restriction will be appreciated.

In the future, if you need a temporary exemption for overnight parking, please give us a call or send a FAX or e-mail at least 24 hours in advance of the date requested.

If there is an error in this report, please notify us as soon as possible so that we may correct our records.

Welcome Letter

February 20, 2009

Patrick and Susan Newcomer
4464 Golf Club Drive
Colorado Springs, CO 80922

Dear Ms. Newcomer:

With the purchase of your new home at **Springs Ranch**, you have become a member of the “**Knolls at Springs Ranch Homeowners Association**”. As the Property Manager for your Association, we’d like to say: *Welcome to the neighborhood!*

The transition to a new residence is always a busy time. Please take a few minutes and review the governing documents which were provided to you at the close of your purchase transaction. If you did not receive the Association’s “Declaration of Covenants, Conditions and Restrictions”, contact our office and we will send you a copy. This document gives you important information on such items as landscaping and architectural standards, parking regulations within the Springs Ranch development, and other guidelines which are intended to enhance and preserve the quality of life within the Community.

You will need to submit a landscape plan if you wish to change it. This requirement is described in Section 5.6 of your CC&R’s. **All additions or modifications to your property including landscaping, fences, storage sheds, pet enclosures, hot tubs, playground equipment, etc., must be approved by the Architectural Committee.**

Your annual Assessment is \$150. Please make your check out to The Knolls Homeowners Association and mail it to the above management office. There will be no statement sent to you. Your annual assessment of \$150.00 will be due on January 1, 2009. You have the option of paying annually or quarterly. Dues are delinquent with a late fee 10 days after they are due.

Please give us a call if you have any questions. You may also access us at www.springsranch.net. In the meantime, we hope you are enjoying life in your new home!

Sincerely,

Jane Chadima, Property Manager

CC: ACH Form

Violation Letter

February 20, 2009

Patrick and Susan Newcomer
4464 Golf Club Drive
Colorado Springs, CO 80922

Dear Mr. and Mrs. Newcomer:

The Board of Directors has asked me to contact you regarding the storage of your trash can.

The Covenants in Section 5.3 state "No unsightly objects or materials including ... receptacles or containers therefore, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during refuse collections." Please store your trash can inside your garage or behind your wing fence.

The governing documents of The Knolls @ Springs Ranch exist to enhance and preserve the appearance of your neighborhood. Your cooperation with the above-referenced violation will be appreciated.

The Board appreciates your immediate attention to this matter.

Sincerely,

Jane Chadima, Property Manager

Delinquent Letter

February 20, 2009

Patrick and Susan Newcomer
4464 Golf Club Drive
Colorado Springs, CO 80922

Dear Home Owner:

The Knolls Board of Directors has instructed me to contact you regarding your unpaid home owner's dues.

The By-Laws of The Knolls at Springs Ranch in Article II, Section II.3 states that *"Suspension and Termination of Membership. A Member who fails to pay any assessment or other amount owed to the HOA within ten days after written notice of such failure to pay is delivered to such Member shall be automatically suspended from membership until all such dues and assessments are fully paid, at which time such Member shall be automatically reinstated. During any period of suspension a Member shall not be entitled to exercise the rights and privileges of membership, including without limitation the right to vote.*

Please make your check payable to THE KNOLLS HOA and send it to the above address c/o The Realty Corner.

ACC Letter

February 20, 2009

Patrick and Susan Newcomer
4464 Golf Club Drive
Colorado Springs, CO 80922

Dear Patrick and Susan:

I am writing on behalf of The Knolls at Springs Ranch Architectural Committee. You have submitted a request to build a deck on your property. Your project has been approved by the Architectural Control Committee and the Board of Directors. We appreciate having you submit your building permit with your request.

Please feel free to call with any questions.

Sincerely,

Jane Chadima, Property Manager
The Knolls at Springs Ranch Homeowners Association, Inc.
For The Architectural Committee

Definitions

HOA	The Knolls Home Owner Association
Board	The people making up the membership of the Executive Committee for the Knolls HOA
CC&R	Codes, Covenants and Restrictions
Corporation	The HOA
Director	A member of the HOA's Executive Board
Occupant	Any person that leases, rents, or otherwise occupies a property within the physical boundaries of the Knolls HOA
Officer	Any person designated as a an officer of the HOA and any person to whom the Executive Board delegates responsibilities including without limitation, a managing agent, attorney, or accountant employed by the Executive Board
Member	A member of the Knolls HOA through the Membership of a property within the physical boundaries of the Knolls HOA
Quorum	The number of members entitled to vote represented in person or by proxy for business to be legally transacted.
The Business Plan	The Knolls HOA Business Plan

Attachment 1--B SB89 Policies and Procedures

Senate Bill 89 was passed in 2006 and has added additional responsibilities to Colorado HOAs . Although not all inclusive, Attachment 1 discusses many of these additions.

1. INVESTMENT OF RESERVE POLICY

The officers and members of Board shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director and/or Officer reasonably believes to be in the interest of the HOA in accordance with the Colorado Revised Nonprofit Corporation Act.

2. INSPECTION AND COPYING OF HOA RECORDS

The HOA shall make all records available to the public. Any copies made of the HOA's records shall be at the requestor's expense and may be collected by the HOA or the HOA's representative in advance.

Any inspection or copying of the HOA records shall be during regular business hours at the office of its managing agency or during the next scheduled HOA general membership meeting or Board meeting occurring within 30 days of the Member's request, at the discretion of the Board.

The HOA shall make the requested records available within five business days of the Member's request or at the next regularly scheduled General membership meeting or Board meeting if the next regularly scheduled General membership meeting or Board meeting is scheduled within thirty days of the Member's request, in the sole discretion of the Board. The Board shall advise the Member of the time and place of such inspection in writing within five business days of the Member's request.

The HOA records, including membership lists, shall not be used by any Member for:

- (i) Any purpose unrelated to a Member's interest as a Member;
- (ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Members in an election to be held by the HOA;
- (iii) Any commercial purpose;
- (iv) For the purpose of giving, selling, or distributing such HOA records to any person; or
- (v) Any improper purpose as determined in the sole discretion of the Board.

3. CONFLICT OF INTEREST

Definition of conflict of interest:

- (i) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the HOA and a Director, or between the HOA and a party related to a Director, or between the HOA and an entity in which a Director of the HOA is a director and/or Officer or has a financial interest.
- (ii) "Director" means a member of the HOA's Board of Directors.
- (iii) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director and/or Officer or has a financial interest.

No loans shall be made by the HOA to its Directors or officers. Any Director and/or Officer who assents to or participates in the making of such a loan shall be liable to the HOA for the amount of the loan until it is repaid.

Any conflicting interest transaction on the part of any Director or party related to a Director shall be verbally disclosed to the other Directors in an open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director may participate in the discussion and may vote on the matter. The minutes of the meeting shall reflect the disclosure made the composition of the quorum and record who voted for and against.

No conflicting interest transaction shall be voidable by a Member and/or On behalf of the HOA if:

- (i) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
- (ii) The facts about the conflicting interest transaction are disclosed or the Members entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Members entitled to vote on the matter; or
- (iii) The conflicting interest transaction is fair to the HOA.

4. CONDUCT OF MEETINGS

- (i) Contested elections of Board members defined as elections in which there are more candidates than positions to be filled and shall be conducted by secret ballot. Each Member entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event A Member holds a proxy for another Member, upon presentation of such a proxy to the Secretary of the HOA or the Secretary's designee, the Member shall receive a secret ballot to cast the vote of the Member who provided the proxy. The proxy shall be kept and retained by the HOA.
- (ii) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at the meeting of the Members shall be taken in such a method as determined by the Board of Directors including acclamation, by hand, by voice, or by ballot. Notwithstanding the above, uncontested elections of Board members or other vote on matters affecting the community shall be by secret ballot at the discretion of the Board or upon the request of 20% of the Members who are present at the meeting or represented by proxy.
- (iii) A neutral third party, excluding the HOA's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates, shall count the ballots. The committee shall be selected or appointed at an open meeting, in a fair manner by the Chair of the Board or another person presiding during that portion of the meeting.
- (iv) Members speaking to the Board voting on any matter:
 - a. After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to the vote by the Directors, Members, or their designated representative, present at such time shall be afforded an opportunity to speak on the motion as follows:
 - i. Obtain the attention of the Directors;
 - ii. State their name;
 - iii. Use this opportunity to speak;
 - 1. Directors shall provide the Member no fewer than ten minutes to speak, but may limit the time to a maximum of fifteen minutes.

5. POLICY FOR CLAIMS SUBMISSION TO THE HOA'S INSURANCE CARRIER

If an occurrence is made known to a Member that results in damages of injury to a Member or a Member's Unit which may come within the HOA's coverage as required in Declaration or under Colorado law, the following procedures shall be followed by the Member:

- (i) The Member(s) shall first promptly notify his or her personal insurance carrier of the damages.
- (ii) In the event the Member determines it is the Member's best interest to submit a claim under the Member's insurance policies, the Member shall follow the procedures set out in those insurance policies describing the insured's duties in the even of an occurrence, claim or suite.
- (iii) The HOA may require the Member to provide copies of the claim the Member may make to his/her own carrier, as well as copies of the adjustment or determination of that carrier as a condition before the Member makes any claim on any of the HOA's policies.
- (iv) In the event the subject matter of the claim may fall within the HOA's insurance responsibilities under the Declaration or Colorado law, the Member shall promptly notify the HOA of the damage by providing written notice to the Board [or Managing Agent] setting forth the following:
 - a. Member's home address and phone number an Unit address, if different;
 - b. The time, place and circumstances of the event;
 - c. Identification of damaged property; and
 - d. The names and addresses of the injured and witnesses, if applicable.
- (v) The Board shall then make the determination as to whether the occurrence or claim consists of damages for which the Member or the HOA is responsible for insuring under the Declaration. The HOA shall so notify the Member in writing of its determination within 15 days of written notification of the damage to the HOA.
- (vi) If the Board determines, in its sole discretion, that the subject matter of the claim is within the HOA's insurance obligations, the Board shall submit a claim to the HOA's insurance carrier on behalf of the Member in accordance with the requirements of the insurance policy. In that event, a Member may not submit a claim to the HOA's insurance carrier.

6. POLITICAL SIGN POLICY

A Member may display one political sign per political office or ballot issue that is contested in the Election. A political sign may be no larger than 36" x 48" or the maximum allowed by the applicable city, town, or county ordinance that regulates the size of political signs on residential property, whichever is smaller.

7. EMERGENCY VEHICLE POLICY

Emergency Vehicle is a motor vehicle that meets all of the following criteria:

- (i) The vehicle is required by the Member's or occupant's employer to be parked at the Member's or occupant's residence as a condition of the Member's or occupant's employment; and
- (ii) The vehicle has a gross weight of ten thousand pounds or less; and
- (iii) The vehicle is used by a Member and/or Occupant who is a member of a volunteer fire department or employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical service; and
 - a. The vehicle bears an official emblem or other visible designation of the Emergency Service Provider.

While parked, the Emergency Vehicle shall not obstruct emergency access or interfere with the reasonable needs of other Members or occupants to use the streets, driveways, and guest parking spaces within the community as determined by the Board of Directors.

8. POLICY REGARDING COOPERATING WITH SELLERS IN DISCLOSURE OF INFORMATION

Senate Bill 89 Section 38-33.3-317 requires the HOA to maintain “permanent records”: of minutes of all meetings of Members and board, all actions taken by Members, the board or a committee acting in place” of the board, and all waivers of notice. It also requires a record of Members’ name and addresses. It requires the HOA to allow copying, but it may charge a fee of no more than the “actual cost per page” which may be collected in advance. All financial and other records must be “reasonably available” for inspection and copying. SB provides “privacy protection” that membership lists may not be obtained or used “by any person for any purpose unrelated to a unit Member’s interest as a unit Member without the consent of the board”. The HOA must keep a copy at its “principle office” of the following: its declaration, articles, bylaws, covenants, resolutions of certain board actions, minutes of Members meetings for the past three years, all “written communications within the past three years to unit Members generally as unit Members”, a list of the names and business or home addresses of current officers and directors, its “most recent annual report, if any”, and all financial audits or reviews for the immediate three years. In addition, Members have inspection rights under corporate statutes, litigation and court order.

9. DISPUTE RESOLUTION BETWEEN MEMBER AND HOA POLICY AND PROCEDURE, MEDIATION/ARBITRATION

Senate Bill 89 Section 38-33.3-124 encourages mediation or arbitration, and states that “any controversy” between a Member and an HOA “may be submitted to mediation by either party”. Before Jan 1, 2007, the HOA must adopt a governance policy setting forth procedures for addressing disputes between the HOA and Member, and must make a copy of the policy available to Members on request.

10. FLAGS

Senate Bill 89 Section 38-33.3-106.5 prevents HOAs from prohibiting American Flags, flagpoles, and service flags, but HOAs may adopt “reasonable rules” regarding placement and manner of display. An HOA’s rules may regulate the location and size of the flag and flagpoles but shall not prohibit the installation of a flag or flagpole.

United States or Colorado Flags are a source of pride for many people. In the HOA we have people that wish to show their pride by the display of a flag. They may display these flags either on a flagstaff extending from the structure of the home or by the use of a flagpole properly installed on their property. In either event, the flying of the flags will follow proper protocol. Proper protocol will ensure that no matter what flag is flying, it will receive the proper respect when flying.

Prior to erecting a flagstaff or flagpole the Member will notify the HOA’s Architectural Committee. The Member will made notification via mail or email with detailed plans attached as to the location of the flag, materials the staff will be made of, how the noise normally made by the flag rope will be kept to a minimum, and the method of lighting that will be necessary if the flag is be flown at night.

The Architectural Committee will review the plans in the same manner used to review landscape plans or changes normally made by Members. The Committee will review the plans for safety hazards, noise, light, and construction issues that may detract value from adjacent properties. Once a decision is made the Member will be mailed a notification of the decision.

11. REMOVAL OF TREES, SHRUBS AND VEGETATION FOR FIRE SAFETY

Senate Bill 89 Section 38-33.3-106.5 now requires an HOA to allow for the removal of trees, shrubs and vegetation to comply with a “written defensible space plan created for the property” by the Colorado Forest Service, Fire Chief, etc... In the event of notification by the Fire Service that a violation to the space plan exists, the HOA will send a certified request to the party responsible for the

hazard. The responsible party will have three weeks to correct the hazard. In the event that this hazard is not corrected within three weeks, the HOA will take the necessary actions to have the item creating the hazard removed. Any costs involved with the removal of the hazard will be billed to the home Member.

12. ROOFING MATERIALS

Senate Bill 89 Section 38-33.3-106.5 also states that an HOA shall not be required to use cedar shakes or other flammable roofing materials. SB89 deleted the provisions that the “declared or bylaws” may specify “reasonable standards for the color, appearance and general type” for replacement materials and that the HOA could not be required to use roofing that exceeds the “replacement cost of the flammable materials”.

13. ATTORNEYS FEES

Senate Bill 89 Section 38-33.3-123 allows the Members to recover their attorney’s fees if they prevail in any litigation regarding the declaration, articles, bylaws or rules and regulations, and precludes the HOA from “allocating” to the prevailing Member’s “account” any of the HOA’s costs or attorneys fees. SB89 deleted the awarding of attorneys fees on a “per claim” basis.

14. ACCOUNTING RECORDS AND GOVERNANCE POLICIES

Senate Bill 89 Section 38-33.3-209.5 requires the HOA to maintain accurate and complete accounting records and to adopt “responsible governance policies” as to the following:

- Collection of unpaid assessments;
- Conflicts of interest;
- Conduct of meetings;
- Enforcement of covenants and rules;
- Inspection and copying of records;
- Investment of reserve funds;
- Procedures for adopting and amending policies, procedures and rules; and
- For addressing disputes between the HOA and the Members.

15. BOARD EDUCATION

Senate Bill 89 Section 38-33.3-209.6 states that the board may authorize reimbursement of board members for “their actual and necessary expenses incurred in attending educational meetings and seminars”, but those must be “specific to Colorado” and make “reference to applicable sections” of CCIOA.

16. MEMBERS EDUCATION

Senate Bill 59 Section 38-33.3-209.7 requires the HOA to provide “at no cost” education to Members on at least an annual basis as to the “general operations of the HOA and the rights and responsibilities of Members, the HOA, and the board under Colorado Law”. The criteria for such education shall be determined by the board and may include presentations at annual Members meetings.

17. AMENDMENT PERCENTAGES

Senate Bill 89 Section 38-33.3-217 provides that the percentage for amendments to the declaration shall “not exceed sixty-seven percent (67%)” and any higher percentage is “void” and deemed to be 67%. This section also provides a process by which implied “approval” of mortgage holders may be obtained by certified mail and newspaper publication of proposed amendments. SB89 adds that mortgagee consent may be obtained in accordance with the declaration. SB89 also adds a provision which states “if the declaration provides for an initial period of applicability to be followed by automatic extension periods, the declaration may be amended at any time” in accordance with Section 217.

18. ARCHITECTURAL REVIEW

Senate Bill 89 Section 38-33.3-302 states that “decisions” regarding the approval or denial of “architectural or landscaping changes” shall be made in accordance with “standards and procedures” set forth in the declaration or rules or bylaws and “shall not be made arbitrarily or capriciously”

19. BUDGET AND AUDIT

Senate Bill 89 Section 38-33.3-303 will require a budget to be adopted by the HOA and requires that the books and records of the HOA shall be subject to an “audit” or a “review” under specified standards; however, an audit is only required if the HOA has annual revenues or expenditures of at least \$250,000 and an audit is requested by the Members of at least a third of the units. A CPA must do the audit. Financial records must be prepared using generally accepted accounting principles or the cash or tax basis of accounting. SB89 deleted the “every 2 year requirement” but added that a “review” by an “independent and qualified person” must be done when requested by Members of one third of the units. Copies of the audit or review must be available “upon request” of any Member no later than thirty days after completion. SB89 adds a new requirement that the board members and officers are subject to nonprofit fiduciary standards “with regard to the investment of reserve fund”.

20. NOTICE AND MEETING AND MEMBER PARTICIPATION

Senate Bill 89 Section 38-33.3-308 requires that the notice of “any meeting” of unit Members shall be “physically posted in a conspicuous place” to the extent that such posting is “feasible and practicable,” in addition, “electronic posting or electronic mail” is “encouraged”. If electronic means of notice are available, the HOA shall provide twenty-four (24) hours prior notice of all regular and special meetings of Members to all Members who so request and who furnish the HOA with their electronic mail addresses.

This section also provides that all meetings of the HOA’s board of directors are “open” to every unit Member or “any person designated” by a unit Member. SB89 allows Members and representatives to “speak” regarding issues before the board votes, but the board must place “reasonable time restrictions” on such speeches.

21. DISCLOSURE

Senate Bill 89 Section 38-35.7-102 requires a “bold face” disclosure in the sales contract and provides for “damages” against the seller for failure to disclose. However, now the burden of document production is on the seller “who may authorize” the HOA to provide the documents “upon payment of the HOA’s usual fee”.