

# **Governance Policies of the Kentfield Master Association, Inc.**

Adopted: \_\_\_\_\_, 2019.

Effective: \_\_\_\_\_, 2019.

## **Recitals**

- A. The Association desires to adopt the following governance policies to protect the investment of the members, to enhance the values of the Property subject to regulation by the Association, and to comply with Colorado law.
- B. These governance policies are intended to supersede and replace certain rules, regulations, policies and procedures previously adopted by the Board. To the extent that any provision of these policies conflicts with a previously adopted rule, regulation, policy or procedure, the provisions of these policies will apply.
- C. All other rules, regulations, policies and procedures that do not conflict with these governance policies will remain in full force and effect.

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## **Introduction and Definitions**

1. Authority. These policies have been established pursuant to the authority granted to the Board of Directors in the governing documents and based on authority within Colorado law.
2. Capitalized Terms. Unless specifically defined, initially capitalized terms have the definition ascribed to the term in the Declaration of Covenants, Conditions, Restrictions and Easements for Kentfield Master, as amended (“Declaration”).
3. Conflicts Between Documents. In the event of a conflict between rules, regulations, design guidelines, policies and procedures and the Declaration, Bylaws, or Articles of Incorporation of the Kentfield Master Owners Association, Inc. (“Association”), the provisions of the Declaration, the Bylaws or the Articles apply.
4. Deviations. The Board may deviate from the policies, procedures, and guidelines if in its sole discretion the deviation is reasonable under the circumstances.
5. No Waiver. Failure by the Association, the Board or any person to enforce any provision of these rules, regulations, policies and procedures is not a waiver of the right to do so later.
6. Severable. The provisions of these rules, regulations, policies and procedures are deemed to be independent and severable, and the invalidity of any one or more of the provisions, or any portion, by judgment or decree of any court of competent jurisdiction, may not affect the validity or enforceability of the remaining rules, regulations, policies and procedures, which provisions remain in full force and effect.
7. Gender and Singular/Plural References. Unless the context provides or requires to the contrary, the use of the singular includes the plural, the use of the plural includes the singular, and the use of any gender includes all genders.
8. Titles and Captions. The captions to the sections are a matter of convenience and for reference, and are in no way to be construed so as to define, limit or otherwise describe the scope of these rules, regulations, policies and procedures or the intent of any provision.
9. Supplement to Law. The provisions of these rules, regulations, policies and procedures are in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
10. Amendment. The following policies may be amended from time to time by the Board of Directors.

## **Covenant and Rule Enforcement**

1. **Reporting Violations to the Association.** Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) (including the Design Review Committee ["DRC"]) by submission of a complaint.
2. **Complaints.**
  - a. Complaints by Owners or residents will be in writing and submitted to the Board of Directors. A written complaint is not required if the alleged violation can be independently verified by the Association. The complaining Owner or resident will have observed the alleged violation and will identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.
  - b. Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or manager.
3. **Investigation.** Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board will have sole discretion in appointing an individual or committee to investigate the matter.
4. **Courtesy Letter.** If a violation is found to exist, a courtesy letter will be sent to the Violator explaining the nature of the violation. The Violator will have 10 days from the date of the courtesy letter to come into compliance.
5. **Continued Violation After Courtesy Letter.** If the alleged Violator does not come into compliance within 10 days of the courtesy letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter may then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this policy. This letter may further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 10 days of the date on the second violation letter.
6. **Notice of Hearing.** If a hearing is requested by the alleged Violator, the Board, committee or other person(s) conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date.
7. **Hearing.** At the beginning of each hearing, the presiding officer will introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Board, committee, or other person(s) designated to conduct the hearing will act as impartial decision making makers and base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible

evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings will be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board, committee, or other person(s) designated to conduct the hearing will, within a reasonable time, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, will be by a majority of the Board, committee, or other person(s) designated to conduct the hearing. Failure to strictly follow the hearing procedures set forth above will not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

8. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 10 days of the second letter, or fails to appear at the hearing, the Board may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.
9. Notification of Decision. The decision of the Board, committee or other person, will be in writing and provided to the Violator and Complainant as soon as practicable after determination of the final decision.
10. Fine Schedule of the Association. Unless otherwise provided in this Policy or in any other governing documents, the following fine schedule is a guideline for the Association for all covenant, rule, regulation, guideline, and policy violations (all fines maybe set at the sole discretion of the Board of Directors):
  - a. First violation: Courtesy Notice Letter
  - b. Second Violation (of same covenant or rule): up to \$100.00
  - c. Third and subsequent violations (of same covenant or rule): up to \$100.00
  - d. At the Board's discretion, third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action or pursue other available remedies.
  - e. At the Board's discretion, any Owner committing three or more violations in a six month period (whether the violations are of the same covenant or different covenants) may be turned over to the Association's attorney for any appropriate legal action.
11. Continuing Violations. A continuing violation is a violation of an ongoing nature which has not been corrected. In the event of a continuing violation, an Owner may be subject to a daily fine of \$25.00 for each day that the violation of the covenant is not corrected, following notice an opportunity for a hearing.
12. Other Enforcement Means of the Association. The fine schedule and enforcement process included in this governance policy is in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means, including, but not limited to, (1) pursuing legal action, (2) levying individual or special assessments, and (3) pursuing self-help or other remedies.
13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

**Dispute Resolution Procedures for Owner Disputes with the Association, With Other Owners, or With Residents.**

1. Alternative Dispute Resolution Procedures. Alternative methods of dispute resolution to avoid litigation encouraged by the Board of Directors include negotiation and mediation. The Association encourages Owners or residents with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.
2. Required Dispute Resolution Procedure. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or managing agent of the Association, an Owner must request and attend a hearing with the Board of Directors. Any such request will be in writing and will be personally delivered to any member of the Board of Directors or the Association's managing agent. The Owner, in such request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and will give the Board a reasonable opportunity to address the Owner's grievance. Upon receiving a request for a hearing, the Board will give notice of the date, time and place of the hearing to the person requesting the hearing. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but will not be required to do so.
3. Discretionary Dispute Resolution Procedures. The procedures set forth below may be used in disputes between Owners and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.
  - a. Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner or the Association. A request must be in writing stating the nature and details of the dispute and must be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting is to be held between the parties to begin a good faith attempt to negotiate a resolution not less than 60 days of receipt of request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.
  - b. Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they should participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator is to be selected by a consensus of the parties involved within 15 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

## **Reserve Study and Funding Policies.**

1. Purpose of the Reserve Fund. The purpose of the Reserve Fund is to responsibly fund and finance the projected repair and replacement of those portions of the community that the Association is responsible for and for other funding as the Board of Directors may determine. The portions of the community that the Association is responsible for typically have limited but reasonably predictable useful lives.
2. Reserve Study Policy. The Association is not required under the community's governing documents to have a reserve study. The Association has determined to establish policies on reserve studies as follows:
  - a. Reserve studies are preferred to be performed by a professional reserve specialist or by the Association's managing agent.
  - b. Reserve studies are preferred to be based on a physical examination of the community by the person preparing the reserve study, but may be performed without a physical examination.
3. Review and Updates to the Reserve Study. The Board of Directors of the Association may cause the reserve study, including both the physical and financial analysis, to be periodically evaluated and updated by a reserve study specialist to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. The update may be done with or without a site visit.
4. Reserve Funding Policy. The Association has determined to establish policies on reserve funding as follows:
  - a. Funding for replacement is preferred to be based on a financial analysis performed by a professional reserve specialist or the Association's managing agent, or may be performed without a financial analysis.
  - b. Funding for replacement is planned and projected to be through the Association's regular assessment of the Owners, as determined from year-to-year, by the Board, or from the following sources:
    - Cash then on hand, including the Association's operating accounts;
    - Special assessments of Owners;
    - A loan, as may be obtained by the Association; or
    - Any combination of the above.



## **Investment of Reserve Policies**

1. **Purpose.** In order to properly maintain areas in the community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, protect market value of Owners' homes and livability in the community, the Board of Directors determines that it is necessary to have these policies and procedures for the investment of reserve funds.
2. **Investment of Reserves.** The Board of Directors of the Association may invest funds held in the Reserve Fund account to generate revenue that will accrue to the Reserve Fund account balance pursuant to the following goals, criteria and policies, listed in order of importance:
  - a. **Safety of Principal.** Promote and ensure the preservation of the Reserve Fund's principal.
  - b. **Liquidity and Accessibility.** Structure maturities to ensure availability of assets for projected or unexpected expenditures.
  - c. **Minimal Costs.** Minimize investment costs (redemption fees, commissions, and other transactional costs).
  - d. **Diversify.** Mitigate the effects of interest rate volatility upon reserve assets.
  - e. **Return.** Invest funds to seek the highest level of return.
3. **Limitation on Investments.** Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the United States Government.
4. **Investment Strategy.** The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.
5. **Independent Professional Investment Assistance.** The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
6. **Review and Control.** The Board may review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and may make prudent adjustments as needed.
7. **Investment Decisions.** Consistent with state law, investment decisions of the Board are to be made based on the standard of care outlined in the Colorado Revised Nonprofit Code. This standard of care requires directors to act: in good faith; with the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and in a manner the director or officer reasonably believes to be in the best interest of the association. In discharging their duties, directors and officers may rely on other people on matters that the directors or officers reasonably believe are within that person's professional or expert competence.

## **Policies on the Inspection and Copying of Association Records**

1. Records to be Maintained by the Association. In addition to any records specifically required by the Association's Declaration or Bylaws, the Association is to maintain the following records:
  - a. Detailed records of receipts and expenditures affecting the operation and administration of the Association
  - b. Records of claims for construction defects and amounts received pursuant to settlement of those claims
  - c. Minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board without a meeting (i.e., by written ballot or written consent in lieu of a meeting), and a record of all actions taken by a committee of the Board
  - d. Written communications among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws or Colorado law
  - e. The names of Members in a form that permits preparation of a list of names and physical mailing addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list")
  - f. The current articles of incorporation, declaration, covenants, bylaws, rules and regulations, responsible governance policies required pursuant to Colorado law, and any other policies adopted by the Board
  - g. Annual financial statements for the past three years
  - h. Financial statements, to the extent available, showing, in reasonable detail, the Association's assets and liabilities and results of its operations for the past three years
  - i. Tax returns for the past seven years, to the extent available
  - j. A list of the names, electronic mail addresses and physical mailing addresses of its current directors and officers
  - k. Its most recent annual report delivered to the Secretary of State
  - l. Financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act
  - m. The Association's most recent reserve study, if any
  - n. Current written contracts to which the Association is a party
  - o. Written contracts for work performed for the Association within the immediately preceding 2 years
  - p. Records of Board or committee actions to approve or deny design or architectural approval requests from Members

- q. Ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate
  - r. Resolutions adopted by the Board relating the characteristics, qualifications, rights, limitations, and obligations of Members or any class of Members
  - s. Written communications within the past three years to Members generally as Members
  - t. The following additional information as required by C.R.S. 38-33.3-209.4 as part of the Association's annual disclosures:
    - The date on which the fiscal year commences
    - The operating budget for the current fiscal year
    - A list, by type, of the Association's current assessments (regular and special)
    - The annual financial statements, including any amounts held in reserve, for the fiscal year immediately preceding the current annual disclosure
    - The results of the most recent available financial audit or review, if any
    - A list of all Association insurance policies, including company names, policy limits, policy deductibles, additional named insureds, and expiration dates
2. Sole Records. The above records are the sole records of the Association available for inspection. If the Association stores other types of documentation, or stores documentation for a longer time period than may be required above, such documents are not considered records of the Association available for inspection and copying.
  3. Creation of Records. Nothing contained in these policies may be construed to require the Association to create records that do not exist or compile records in a particular format or order.
  4. Association Records that May be Withheld from Inspection or Copying. Pursuant to Colorado law, the following records may be withheld from inspection and copying to the extent that such records are or concern:
    - a. Architectural drawings, plans, and designs, unless the legal owner of such drawings, plans, or designs provides written consent to the release
    - b. Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are still in or under negotiation
    - c. Communication with legal counsel protected by the attorney-client privilege or the attorney work product doctrine
    - d. Disclosure of information in violation of law
    - e. Records of an executive session of the Board
    - f. Records related to an individual owner other than the Member
  5. Association Records that are not Available for Inspection or Copying. Pursuant to Colorado law, the following records are not subject to review, inspection and/or copying and will be withheld from any inspection:

- a. Personnel, salary, or medical records related to specific individuals; and
  - b. Personal identification and account information of Members, including:
    - Bank account information
    - Telephone numbers
    - Electronic mail addresses
    - Driver's license numbers
    - Social security numbers
    - Vehicle identification information
6. Inspection/Copying of Association Records. An Owner, or the Owner's authorized agent, is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:
- a. The inspection and/or copying of the records of the Association will be at the Owner's expense;
  - b. The inspection and/or copying of the records of the Association will be conducted during regular business hours of 9:00 a.m. to 5:00 p.m. at the business address of the Association's management company;
  - c. The Owner will give the Association's management company a written demand at least ten business days before the date on which the Owner wishes to inspect and/or copy such records; and
  - d. The Owner will complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of the Agreement is attached to this Policy. Failure to properly complete or sign the Agreement will be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.
  - e. The Association reserves the right to have a third person present to observe during any inspection of records by an Owner or the Owner's representative.
7. Fees/Costs. Any Owner requesting copies of Association records will be responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s) requested.
8. Agent. The Association has designated its management company as its agent to maintain all records and provide all such access as required by Colorado law and/or this policy. Therefore, such management company will have all rights and responsibilities of the Association with respect to such obligations.

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS OF  
KENTFIELD MASTER OWNERS ASSOCIATION, INC.**

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that the Association provide access to its records. I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

1. The records that I wish to review are (attach a separate piece of paper if necessary):

A. \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- (A) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (B) Used for any commercial purpose;
- (C) Sold to, otherwise distributed to, or purchased by any person; or
- (D) Any other purpose prohibited by law.

In the event any document requested is used for an improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

\_\_\_\_\_  
Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Homeowner

Date: \_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_

## **Conflicts of Interest Policy**

1. **General Duties.** The Board of Directors, and each Board Member, is to use best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors are to exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors are to comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and rules, regulations, design guidelines, policies and procedures and applicable laws.
2. **Definition of Conflict of Interest.** A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); or (iv) an entity in which a Director is a director or officer or has a financial interest.
3. **Disclosure of Conflict.** Any conflict of interest on the part of any Director may be verbally disclosed to the other Directors in 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, at the discretion of the rest of the Board, or may be asked to leave the room during the vote on the matter. The director may not vote on the matter. The minutes of the meeting may reflect the disclosure made, any abstention from voting and the composition of the quorum, and record who voted for and against.
4. **Board Code of Ethics.** Each Director and the Board as a whole are to adhere to the following Code of Ethics:
  - a. No Director is to use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
  - b. No contributions will be made to any political parties or political candidates by the Association.
  - c. No Director is to solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
  - d. No Director is to accept a gift or favor made with intent of influencing decision or action on any official matter.
  - e. No Director is to receive any compensation from the Association for acting as a volunteer.
  - f. No Director is to willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
  - g. No Director is to interfere with a contractor engaged by the Association while a contract is in progress.
  - h. All communications with Association contractors are to go through the Board President or be in accordance with policy.
  - i. No Director is to harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

- j. No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
  - k. Any Director convicted of a felony must voluntarily resign from his/her position.
  - l. No Director is to knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.
  - m. Language and decorum at Board meetings will be kept professional.
  - n. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.
5. Failure to Disclose Conflict. Any contract entered into in violation of this policy will be void and unenforceable. In such event, the Board, at the next meeting of the Board, will vote again on the contract, decision or other action taken in violation of this Policy.

## **Conduct of Meetings Policies**

### 1. Notice for/of Member Meetings.

- a. In addition to any notice required in the Bylaws, notice of any meeting of the Members shall be sent to each Member not less than 10 or more than 50 days prior to the meeting by hand delivery or regular U.S. mail, postage prepaid. Notice shall also be physically posted in a conspicuous location in the community, to the extent feasible and practicable, at least 10 day prior to each meeting, or as may otherwise be required by Colorado law.
- b. The Association may also post notice on its website (if any) of all Owner meetings. Such notice will be posted at least 10 days prior to such meeting.
- c. If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association will send notice of all Owner meetings to such Owner at the email address provided pursuant to the Bylaws, but in no case less than 24 hours prior to any such meeting.

### 2. Conduct at Member Meetings. All Owner meetings are governed by the following rules of conduct and order:

- a. The President of the Association or designee chairs all Member meetings.
- b. All Owners and persons who attend a meeting of the Members will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
- c. Any person desiring to speak is to sign up on the list provided at check in (if any) and indicate if he/she is for or against an agenda item.
- d. Anyone wishing to speak must first be recognized by the Chair.
- e. Only one person may speak at a time.
- f. Each person who speaks is to first state his or her name and the address of their home in the community.
- g. Any person who is represented at the meeting by another person, as indicated by a written instrument or an apparent agency, will be permitted to have that person speak for him/her.
- h. Those addressing the meeting are to be permitted to speak without interruption from anyone as long as these rules are followed.
- i. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.
- j. Comments are to be relevant to the purpose of the meeting.
- k. Each person is given up to a maximum of three minutes to make a statement or to ask questions.
- l. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once.



- m. Yielding of time by a speaker to another individual is not permitted.
  - n. Time limits may be increased or decreased by the Chair, but are to be uniform for all persons addressing the meeting.
  - o. All actions and/or decisions require a motion and a second.
  - p. Once a vote has been taken, there will be no further discussion regarding that topic.
  - q. So as to allow for and encourage full discussion by Owners, no meeting may be audio, video or otherwise recorded.
  - r. Minutes of actions taken are to be kept by the Association.
  - s. Anyone disrupting the meeting, as determined by the Chair, may be asked to “come to order.”
  - t. Anyone who does not come to order will be requested to immediately leave the meeting.
  - u. The Chair may establish additional rules of order as may be necessary from time to time.
3. Voting at Member Meetings.
- a. Election of Board members for contested elections (where there are more candidates than vacancies) is to be conducted by secret ballot. Where secret balloting is used, each Owner entitled to vote pursuant to the Bylaws is to receive a ballot. Ballots are not to contain identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of the proxy to the Secretary of the Association or the Secretary’s designee, the Owner is to receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy is to be kept and retained by the Association.
  - b. All other votes taken at a meeting of the Owners are to be taken in the method as determined by the Board of Directors or Chair of the meeting, including acclamation, by hand, by voice or by ballot, unless otherwise required by law.
  - c. Written ballots are to be counted by at least two neutral third parties, excluding the Association’s manager or legal counsel, or by Owners who are not candidates.
  - d. The individual(s) counting the ballots are to report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue or candidate.
4. Proxies for/at Member Meetings. Proxies may be given by any owner as allowed by C.R.S. 7-127-203. All proxies are to be reviewed by the Association’s Secretary or designee as to the following:
- a. Validity of the signature.
  - b. Signatory’s authority to sign for the Unit owner.
  - c. Authority of the Unit owner to vote.
  - d. Conflicting proxies.

- e. Expiration of the proxy
5. Conduct at Board Meetings. All Board meetings are to be governed by the following rules of conduct and order:
- a. The President of the Association, or designee, chairs all Board meetings.
  - b. All persons who attend a meeting of the Board may be required to sign in, listing their name and the address of the home they own in the community.
  - c. All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting.
  - d. Any Owner wishing to speak during the Owner forum is requested to so indicate so at the time of sign in.
  - e. Anyone desiring to speak is to first be recognized by the Chair.
  - f. Only one person may speak at a time.
  - g. Each person speaking is to first state his or her name and the address of their home in the community.
  - h. Any person who is represented at the meeting by another person as indicated by a written instrument or apparent agency is to be permitted to have that person speak for them.
  - i. Those addressing the Board are to be permitted to speak without interruption from anyone as long as these rules are followed.
  - j. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting.
  - k. Comments are to be relevant to the purpose of the meeting or issue at hand.
  - l. Each person is given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date.
  - m. Each person may only speak once during the owner forum and once on any other issue prior to a vote by the Board on the issue.
  - n. Yielding of time by a speaker to another individual is not permitted.
  - o. The time limit may be increased or decreased by the Chair but is to be uniform for all persons addressing the meeting.
  - p. No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes.
  - q. Minutes of actions taken are to be kept by the Association.
  - r. Anyone disrupting the meeting, as determined by the Chair, may be asked to “come to order.”

- s. Anyone who does not come to order may be requested to immediately leave the meeting.
6. Member Open Forum. There will be a Members' forum at the beginning of each regular board meeting. The Members' forum will be for up to 15 minutes, although the Board may extend this time in its discretion. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting.
  7. Owner Input at Board Meetings. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present are to be afforded an opportunity to speak on the motion as follows:
    - a. The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion.
    - b. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak.
    - c. The Chair may also announce the procedure for who are permitted to speak if not everyone desiring to speak will be permitted to speak.
    - d. Following Owner input, the Chair will declare Owner input closed and no further owner participation on the motion at hand is allowed, unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

## **Collection of Unpaid Assessments Policies and Procedures**

1. **Due Dates.** The monthly installments of the annual assessment, as determined by the Association and as allowed for in the Declaration, are due and payable on the first day of each month. Assessments or other charges not paid in full to the Association within 10 days of the due date are considered past due and delinquent and may incur late fees and interest as provided below.
2. **Receipt Date.** The Association will post payments on the day the payment is received in the Association's office.
3. **Late Charges and Fees.** The Association may impose, on a monthly basis, a late charge for each Owner who fails to timely pay any assessment or other sums within 10 days of the due date. This late charge is a "common expense" for each delinquent Owner.
4. **Interest Charges.** Interest at such lawful rate as the Board may determine, may accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner. Interest may be added to the Owner's account 10 days following the due date. Such interest is a personal obligation of the Owner and a lien on the Unit.
5. **Personal Obligation for Late Charges.** The late charge is a personal obligation of the Owner(s) of the Unit for which such assessment or installment is unpaid. All late charges are due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth in this Policy) for payment of assessments.
6. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the rules, regulations, design guidelines, policies and procedures of the Association or this policy, a reasonable fee, not to exceed \$20.00 may be assessed against an Owner in the event any check or other instrument attributable or payable for the benefit of the Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge is a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge is due and payable immediately, upon demand. The Association is entitled to all additional remedies as provided by applicable law. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.
7. **Notice to Owner Before Referral for Collection.** The Association may send delinquency notices to Owners. However, before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency informing the Owner:
  - b. of the total amount due, with an accounting for how that total was determined
  - c. that a notice of assessment lien (in addition to the lien established by the Declaration and recognized by state statutes) may be recorded against the property of the Owner
  - d. whether the opportunity to enter into a payment plan exists (as provided in this collection policy)

- e. how the Owner may contact the Association to enter into a payment plan (if a payment plan is available)
  - f. of the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt
  - g. that a lien is in place on the Owner's property, as provided under the Declaration and state law
  - h. that payment is required within to cure the delinquency
  - i. that failure to pay within 30 days may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency
  - j. that a lawsuit on the Owner's promise to pay, a foreclosure of the Association's lien or both may be filed against the Owner
  - k. that other remedies available under Colorado law may be sought by the Association
8. Payment Plans. The Association will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a period of six months or such longer period as authorized by the Board of Directors. If the Owner fails to comply with the terms of the payment plan by failing to remit payment of an agreed-upon installment or failing to remain current with regular assessments as they become due during the payment plan term, the Association may pursue legal action. The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan. Further, the Association is not obligated to enter a payment plan if the Owner does not occupy the Unit and has acquired the property as a result of a default of a security interest encumbering the Unit or foreclosure of the Association's lien.
9. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association is entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association are due and payable immediately when incurred, upon demand.
10. Referral for Collection. Once referred to the Association's attorneys or collection agent for collection, the entire account of that Owner is referred, including sums to accrue, until the entire account is paid in full, the account is settled and has a zero balance or is written off. All sums collected on a delinquent account that has been turned over for collection attorney are to be remitted to the Association's attorney or collection agent until the account is brought current.
11. Application of Payments. . All payments received on account of any Owner or the Owner's property, may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.
12. Suspension of Voting Rights. In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.
13. Certificate of Status of Assessment. In accordance with Section 7.11 of the Declaration, the Association is to furnish to an Owner or the Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments

currently levied against the Owner's property. However, if the account has been turned over for collection, the request may be handled through the attorneys or collection agent.

14. Bankruptcies of Owner and Foreclosures by Lenders to Owners. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the association, the manager may notify the Association's attorney or collection agent of the same and turn the account over for collection, if appropriate.
15. Use of Certified Mail/Regular Mail. In the event the Association may cause a collection or demand letter or notices to be sent to a delinquent Owner (other than monthly statements and other routine notices), the letters or notices may be sent by registered or certified mail.

For purposes of this Collection Policy, late notices, collection letters, and demand letters sent by the Association are considered routine notices, and may be sent by regular mail. Notices of intent to file a lien, lien notices, notices referring accounts to the Association's attorney, and notices sent by the Association's attorney, after the account has been referred, will be sent by certified mail. Copies of notices sent by certified mail may also be sent by regular mail.

16. Remedies.
  - a. Lawsuits on Covenant to Pay Assessments. The Association may pursue a lawsuit against an Owner who has sums due the Association, based on the covenant (or promise) to pay the Association as set forth in the Declaration.
  - b. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to other remedies. The purpose of foreclosure by the Association is to obtain payment of all assessments owed. If the Association forecloses on its lien, the Owner will lose the Owner's property. The Association will not commence a foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late fees, fines and other charges) equals or exceeds six months of common expense assessments based on the Association's periodic budget. Prior to filing a foreclosure lawsuit, the Board must resolve, by a recorded vote, to authorize the filing against the particular Lot, on a specific basis.
  - c. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law.
  - d. General. The Association has all of the remedies available to it under the Declaration and Colorado law.
17. Waivers. The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained in these policies and procedures, as the Association may determine appropriate under the circumstances.
18. Communications with Owners. All communication with a delinquent Owner will be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any

member of the Board of Directors will discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

19. Defenses. Failure of the Association to comply with any provision in this policy is not a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this policy.

## **Adoption of Policies, Procedures, Rules, Regulations, or Guidelines**

1. Scope. The Board of Directors of the Association may, from time to time, adopt or amend policies, procedures, rules and regulations, resolutions, and design guidelines. This may be as the Board determines is advisable or necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board will follow the following procedures when adopting any Policy.
2. Drafting Procedure. The Board may consider the following in drafting Policies:
  - a. Whether the governing documents or Colorado law grants the Board the authority;
  - b. The need for a policy, procedure, rule or regulation, resolution or guideline, based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
  - c. The immediate and long-term impact and implications on the community.
3. Adoption Procedure. The Board may adopt any policy at any time. Upon adoption of a Policy, the Policy or notice of such Policy, including the effective date shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website. In the event notice is provided by posting on the Association's website, all Owners shall be advised that the new or revised Policy is available on the website.
4. Policy Book. The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a Policy Book. Such Policy Book may also be kept on the Association's website.



**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of the Association, certifies that the foregoing policies were adopted by the Board of Directors at a duly called and held meeting of the Board on \_\_\_\_\_, 2019 and in witness thereof, the undersigned has subscribed his/her name.

KENTFIELD MASTER OWNERS ASSOCIATION, INC.,  
a Colorado nonprofit corporation

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