

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

THIS SHARED COSTS AGREEMENT (Agreement) is dated and effective August 29, 2025 and is between The Knolls Master Association, Inc., a Colorado nonprofit corporation, whose current address is P.O. Box 2750, Grand Junction, CO 81506 (Knolls Master HOA) and Ravenna Hills Homeowners Association, Inc., a Colorado nonprofit corporation, whose current address is P.O. Box 2750, Grand Junction, CO 81506 (Ravenna Hills HOA). The Knolls Master HOA and Ravenna Hills HOA may be referred to collectively as the "Parties" and separately as a "Party."

RECITALS:

- A. The Knolls Master Association is the association identified in the First Amended and Restated Declarations of Covenants, Conditions, Restrictions and Easements (Knolls Master Association CCRs) for the 104 single family detached residential lots in The Knolls Master Subdivision.
- B. The Ravenna Hills HOA is the association identified in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Knolls Master Subdivision including all amendments thereto (Ravenna Hills HOA CCRs) for the 41 patio homes situated in and referred to, the Knolls Subdivision.
- C. The residents of the single family detached lots under the Knolls Master Association and the residents of the patio home lots under the Ravenna Hills HOA share responsibility for the maintenance of certain common areas/open spaces and the distribution of an irrigation water delivery system which consists of four irrigation retention and/or detention ponds, a pump-house with pumping system (Shared Facilities) that deliver irrigation water to the lots within both Associations and grounds providing common areas/open space for the enjoyment of the residents in the Knolls Master and Ravenna Hills subdivisions.
- D. For the purpose of this document the descriptions of "Common Area" and "Open Space" are used interchangeably. The Knolls Master Association Common Area Tracts are recorded in the Final Plats Filing 2, Filing 5 and Filing 7 at the Mesa County Clerk of Records office.
- E. The Knolls Master Association and the Ravenna Hills HOA have a history of cooperation and sharing of common expenses to operate, maintain, and repair the Shared Facilities and shared grounds allocated 72% (seventy-two percent) to the Knolls Master Association and 28% (twenty-eight percent) to the Ravenna Hills HOA with the exception of Fence Repair and Maintenance. Both parties desire to memorialize their arrangement by this Agreement.
- F. Knolls Subdivision Water shall mean and refer to all shares of the capital stock of the Grand Valley Water Users Association (GVWUA) and any other water or water rights, ditch or ditch rights, reservoir or water storage rights appurtenant to any portion of Knolls Master HOA and

Ravenna Hills HOA are used in connection with any portion of the property and owned or controlled by the Knolls Master Association.

- G. The Parties agree both contracted and incidental shared expenses will require a majority vote of each Board in accordance with each Association's By-laws. One party may assume the total expense of a project in the Common Area only with a majority vote of both Boards.

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

1. Definition of Shared Costs.

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

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

Grounds Maintenance-Incidental: Costs pursuant to incidental grounds maintenance including tree removal and replacement: repair of the Common Area/Open Space adjacent to Ponds 1, 2 and 3; Nature Area around Pond 2 & 3 east of concrete wall along 27 ½ Road; Detention Pond 4 on Woodgate Drive; park area trees behind Sparrow Court along Piazza Way; north and south of Piazza Way along 27 ½ Road; and along Cortland Avenue.

- b. Insurance: Officers and Directors insurance premiums are the responsibility of each HOA. Insurance premiums for commercial general liability and umbrella coverage which includes common area and pump house are shared proportionately by the Parties (72% for The Knolls Master Association and 28% for Ravenna Hills HOA).
- c. Capital Reserve Study
- d. Fence Repair and Maintenance in Common Area: Shared costs are:

50%:50% for the split rail fences (three sections on the left-hand side of the walkway and eleven sections on the right-hand side) on common area at the opening of Piazza Way on the North/East side of pond #1 next to the concrete walkway;

50%:50% the portion of the split rail fence on the north side of the concrete walkway at the west end on pond 2 (enclosing the depression);

72%:28% wood fence to the West of Pond #3 along 27 ½ Road;

72%:28% wood fence in the retention pond area, Pond #4, behind 3454 Woodgate and 3430 Woodgate that abuts the Spring Valley subdivision;

72%:28% concrete wall along 27 ½ Road;

72%:28% Fence along Piazza Way behind Sparrow Court homes 3676, 3686, 3695, and 3706.

If the above Fence Repair and Maintenance expenses are not ordinary/routine and do not occur each and every year, and appear to create a major expense they are treated differently. They are budgeted and recorded by each Party to separate expense accounts. When bills for Fence Repair and Maintenance are paid, two checks are issued: one from Knolls Operating Account and the other from Ravenna Hills Operating Account.

- e. Irrigation: Costs for the operation, maintenance and repair of the pumphouse and the water delivery system for Ponds 1, 2 and 3 and Detention Pond 4 on Woodgate Drive. Costs for the maintenance and repair of the irrigation service lines within the Open Spaces/Common Area.
- f. Utilities: Electrical charges for the pumps, pump house and entrance lights. Plus, charges for irrigation water shares from the Grand Valley Water Users Association.
- g. Special Projects: Special Projects expenses include but not limited to Dredging Pond 1 and Pond 2; Piazza Way Rock/Mulch Replacement; Common Area Edging and 27.1/2 Road Rock/Mulch Replacement including flower bed improvements at each entrance are part of the Shared Cost Agreement. Since these expenses are not ordinary/routine and do not occur each and every year, they are treated differently. They are budgeted and recorded by each Party to separate expense accounts. The split between the Parties is 72%:28%, identical to that described in Section 2 - Allocation of Shared Costs. When bills for Special Projects are paid, two checks are issued: one from Knolls Operating Account and the other from Ravenna Hills Operating Account.

- h. Nature Area/Wetlands area: located west of Pond 2 and Pond 3 maintenance to include fire mitigation by removal of debris and dead trees and bushes, removal of toxic weeds.
- i. Aeration Fountain

2. **Allocation of Shared Costs.**

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

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

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

4. **Duration and Breach.**

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

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

5. **General Provisions.**

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

Dated the year and date first written above. AUGUST 29, 2025

THE KNOLLS MASTER
ASSOCIATION, INC.

By Donald M. Gutentag
Donald Gutentag, President

By R.D. MILLER
Randall Miller, Vice President

By Jeanne M. Reporter
Jeanne Reporter, Secretary

By Ronald Makela
Ronald Makela, Treasurer

RAVENNA HILLS HOMEOWNERS
ASSOCIATION, INC.

By Andrew P. Scott
Andrew Scott, President

By Cynthia Haskell
Cynthia Haskell, Vice President

By Debra K Bailey
Debra Bailey, Secretary

By Ronald Makela
Ronald Makela, Treasurer

NOTORIZED BY SEE PAGE 6 DATE AUGUST 29, 2025

State of Colorado

County of Mesa

Signed before me, Nicholas Lapka, on August 29, 2025, by Randall Miller, Cynthia Haskell, Jeanne Reporter, Debra Bailey, Ronald Makela, Andrew Scott, and Donald Gutentag.

A handwritten signature in black ink, appearing to read 'N. Lapka', is written over a horizontal line.

My Commission Expires: January 14, 2028

