

Rosewood Hills Property and Homeowners Association Responsible Governance Policies

PURPOSE: To set forth the Board of Directors' policies to promote responsible governance and provide for due process to all Lot Owners within the Rosewood Hills Property and Homeowners Association (the "Association").

EFFECTIVE DATE: July 30, 2025
Supersedes applicable policies dated January 19th, 2017

AUTHORITY: Amended and Restated Declaration of Protective Covenants of Rosewood Hills, the Bylaws of the Association, the Association's Articles of Incorporation, and the Colorado Common Interest Ownership Act, Section 38-33.3-209.5, Colorado Revised Statutes.

RESOLUTION

WHEREAS, the Association's Board of Directors (the "Board") finds that Colorado law requires homeowners associations to adopt policies, procedures, rules and regulations concerning collection of unpaid assessments; handling conflicts of interest; conducting meetings; enforcing protective covenants and rules of the association; inspection and copying of association records by unit owners; information about the source and investment of reserve funds; adoption and amendment of policies, procedures, and rules; and procedures for addressing disputes between the association and unit owners.

WHEREAS, the Board finds that the Association must adopt such policies, procedures, rules and regulations to come into compliance with Colorado law and to meet its responsibilities under the community covenants and policies.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROSEWOOD HILLS PROPERTY AND HOMEOWNERS ASSOCIATION that the following Policies, Procedures, Rules and Regulations are hereby adopted:

I. Collection of Assessments.

As required by Paragraph 14.A. of the Amended and Restated Declaration of Protective Covenants of Rosewood Hills (**the “Covenants”**), that the (**General Assessments**) shall not exceed \$400.00 per year. General Assessments shall be paid in annual installments, on the first day of each year. On or before December 1 of each year, the Board shall deliver or mail to each Lot Owner an itemized annual budget showing the estimated or actual expenses for which General Assessments will be made for the following fiscal year, which runs through December 31. Such a budget will list the amount of the annual General Assessment payment due for each Lot.

Paragraph 14.B. of the Covenants provides that the Board may make assessments for water services (**Water Assessments**), which are not subject to the \$400 General Assessment limit. The Board shall include Water Assessments, if any are required, in the itemized annual budget and will list the amount of the [annual] Water Assessment payment due for each Lot for the following fiscal year. Water Assessments shall be paid on the same schedule as General Assessments except for Urgent and Emergency Assessments.

Lot Owners will be responsible for submitting their Assessment payments to the Association on time if the Assessments are required. If a Lot Owner fails to pay their assessment payment within thirty (30) days after the due date, the Board shall send the Lot Owner a written Notice of Default and Right to Cure. The notice shall specify:

- (A) the total amount due, with an accounting of how the total was determined;
- (B) that the Lot Owner may enter into a payment plan with the Association using the payment agreement attached to the notice, and instructions for contacting the Association to enter into such a payment plan;
- (C) the name and contact information for the person the Lot Owner may contact to request a copy of the Lot Owner's ledger in order to verify the amount of the debt, which copy shall be provided to the Lot Owner no later than seven (7) business days after receipt of the Lot Owner's request;
- (D) that action is required to cure the delinquency- (outstanding Assessments) and that failure to do so within thirty days may result in the Lot Owner's delinquent account being turned over to a collection agency, a civil lawsuit being filed against the Lot Owner, which civil suit may be filed in small claims court if the amount at issue does not exceed seven thousand five hundred dollars (\$7,500) exclusive of interest and costs, the filing of a Lien on title and foreclosure of the lien against the Lot Owner's property to remedy the outstanding debt, the sale of the Lot Owner's property at auction to pay the delinquent assessment, which could result in the Lot Owner losing some or all of the Lot Owner's equity in the property, or other remedies available under Colorado law; and
- (E) the availability of, and instructions on how to access, free online information through the HOA information and resource center created in Section 12-10-801(1), C.R.S. relating to the collection of assessments by the Association, including the Association's ability to foreclose an Association lien for unpaid assessments and force the sale of the Lot Owner's home, and the availability of online information from the federal Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through a link on the Department of Local Affairs' website.

The Board shall deliver the notice by certified mail, return receipt requested, to the Lot Owner at his or her current mailing address of record, and by posting a copy on the Owner's Lot. The Board shall also contact the Lot Owner by two of the following means:

A telephone call to a telephone number that the Association has on file because the Lot Owner or their designated contact provided the number to the Association, with a voicemail message if the attempted contact by telephone is not possible;

B. text message to a cellular number that the Association has on file because the Lot Owner or their designated contact provided the cellular number to the Association; or

C. email to an email address that the Association has on file because the Lot Owner or their designated contact provided the email address to the Association.

(D) by regular mail, if the Lot Owner or their designated contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

The Lot Owner shall have thirty (30) days from the date the Notice is mailed to make payment. If the Lot Owner fails to cure the default and make payment in full within the 30 day notice period, the Association may refer the account to a collection agency, bring legal action against the Lot Owner to collect the amount due, or file and foreclose a lien against the Lot Owner's property. Interest at the rate of 8% per annum shall accrue from the due date of each payment until paid, and the Lot Owner will be liable for reasonable attorneys' fees and costs incurred and all costs of collection regardless of whether the Board commences legal action.

At least thirty (30) days before initiating a legal action to foreclose an Association lien, the Association shall provide written and electronic notice to the Lot Owner or the Lot Owner's designee that:

(a) The Lot Owner has the right to participate in credit counseling at the Lot Owner's expense and that information relating to obtaining credit counseling and the consequences of foreclosure by an association is available through the HOA information and resource center created in Section 12-10-801(1), C.R.S. or through a link to the federal Department of Housing and Urban Development on the Department of Local Affairs' website; and

(b) Credit counseling may include:

(I) Discussion of amounts owed to the Association in unpaid assessments and related costs;

(II) The impact of foreclosure on the Lot Owner's credit;

(III) Additional debt that may be incurred by the Lot Owner if foreclosure by the Association is completed;

(IV) Options available to the Lot Owner to retain title to the property or to remain in possession of the property; and

(V) Any other options that may be available to the Lot Owner to avoid foreclosure.

The Association shall send the notice of intent to foreclose the Association lien to the Lot Owner or the Lot Owner's designated contact. If the Association does not already have the information, prior to sending the notice, the Association shall request from the Lot Owner or the Lot Owner's designated contact, a telephone number for phone calls, a cellular number for texts, and an email address for emails.

The Association shall send the notice of intent to foreclose by certified mail, return receipt requested, and by at least two of the following means:

- (A) Telephone call to a telephone number that the Association has on file because the Lot Owner or designated contact has provided the number to the Association. If the Association attempts to contact the Lot Owner or designated contact by telephone but is unable to contact the Lot Owner or designated contact, the Association shall, if possible, leave a voice message for the Lot Owner or designated contact.
- (B) Text message to a cellular number that the Association has on file because the Lot Owner or designated contact has provided the cellular number to the Association;
- (C) Email to an email address that the Association has on file because the Lot Owner or designated contact has provided the email address to the Association; or
- (D) Regular mail, if the Lot Owner or designated contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

The notice of intent to foreclose the Association lien must inform the unit owner that:

- (I) The Association intends to file a lawsuit against the Lot Owner's property and that, if the court forecloses on the lien, the court will order the sale of the property at auction to pay the delinquent Assessments due to the Association;
- (II) Based on the sale price of the property at auction, the Lot Owner could lose some or all of the Lot Owner's equity in the property;
- (III) Pursuant to Section 38-33.3-316(10.3), C.R.S., the Lot Owner has a right to participate in credit counseling prior to foreclosure;
- (IV) Pursuant to Section 38-33.3-316(10.7), C.R.S., the Lot Owner has a right to participate in mediation with the Association prior to foreclosure; and
- (V) Pursuant to Section 38-33.3-209.5(5)(a)(V)(E), C.R.S., the Lot Owner has access to, and instructions on how to access, free online information through the HOA information and resources center created in Section 12-10-801(1), C.R.S., relating to foreclosure by an association.

No later than five (5) business days after the Association initiates legal action to foreclose a lien, the Association shall provide written and electronic notice to all lienholders identified in the Lot Owner property records of:

- (a) The right to cure the nonpayment pursuant to section 38-38-104, C.R.S.; and
- (b) The Lot Owner's right to file a motion to stay the sale of the property at auction pursuant to section 38-38-109.5, C.R.S.

Unless the context otherwise requires, "Assessment" means a payment for common expense obligations of Lot Owners based on a periodic budget adopted by the Association under Section 38-33.3-315(1), C.R.S., and includes fees specific to delinquent payments and reasonable collection costs for collecting delinquent payments.

II-A. Enforcement of Protective Covenants and Rules, and Imposition of Fines

Protective Covenant Requirement

_____A) If the Board finds that a Lot Owner has violated any of the Covenants, or any of the Association's conditions, restrictions, or Rules and Regulations, and the Board reasonably determines that the violation threatens the public safety or health, the Board shall provide the Lot Owner written notice of the violation informing the Lot Owner that he or she has seventy-two (72) hours to cure the violation or the Association may fine the Lot Owner up to \$50 every other day the violation remains uncured.

_____The Board shall deliver the 30 day notice required by this Section 1. (A) by personally delivering it to the Lot Owner, or by posting a copy on the Owner's Lot. The Board shall also contact the Lot Owner by one of the following means:

(1) text message to a cellular number that the Association has on file because the Lot Owner has provided the cellular number to the Association; or

(2) e-mail to an e-mail address that the Association has on file because the Lot Owner has provided the e-mail address to the Association.

_____B) At the end of the seventy-two (72) hour notice period, the Board will inspect the Owner's Lot. If the Board determines that the Lot Owner has not cured the violation, the Association may fine the Lot Owner \$50 every other day that the violation remains uncured and may take legal action against the Lot Owner for the violation, which legal action shall not include foreclosure against the Lot Owner for fines owed.

_____C) The following procedure shall apply in the event the Board reasonably determines that a Lot Owner committed a violation of any of the Covenants or any of the Association's conditions, restrictions, or Rules and Regulations other than one that threatens the public safety or health:

1) The Board shall notify the Lot Owner in writing of the violation. Such notice shall cite to the covenant, condition, restriction, rule, or regulation at issue; describe the basis of the violation; state the means by which the Lot Owner can cure the violation; inform the Lot Owner that they have 30 days to cure the violation; inform the Lot Owner that the Association, after conducting an inspection and determining that the Lot Owner has not cured the violation, may fine the Lot Owner up to \$500; and inform the Lot Owner of their right to a hearing.

2) The Lot Owner shall have the right to request a hearing, which request must be in writing and submitted to and received by the Board within 15 days of the date of the notice of violation.

3) Upon receipt of a timely request for a hearing, the Board shall schedule a hearing on the matter to occur within 10 days from the date of the request, at a place designated by the Board. The Lot Owner shall have a reasonable time and opportunity to present arguments, witnesses, and exhibits in their defense at the hearing. After the hearing is completed, a written decision will be issued, which shall become the final action of the Board.

4) If it is determined the Lot Owner is not responsible for the alleged violation or noncompliance, the Association shall not allocate to the Lot Owner's account any of the Association's costs or attorneys' fees incurred in asserting the charge or hearing the appeal.

5) If the Lot Owner cures the violation within the 30 day notice period, the Lot Owner may notify the Association of the cure and, if the Lot Owner sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the Lot Owner sends the notice. If the Lot Owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the Lot as soon as practicable to determine if the violation has been cured.

6) If the Lot Owner does not provide notice that they cured the violation as provided in paragraph (C)(6) above, within 7 days after the expiration of the 30 day notice period, the Board will inspect the Lot to determine if the violation has been cured. If the Board determines that the Lot Owner has not cured the violation, the Association may fine the Lot Owner up to \$500.

7) Prior to taking any legal action against the Lot Owner, the Board will issue a second and final 30 day notice to cure, which notice shall again cite the covenant, condition, restriction, rule, or regulation at issue; describe the basis of the violation; state the means by which the Lot Owner can cure the violation; inform the Lot Owner that they have an additional 30 days to cure the violation; and inform the Lot Owner that the Association, after conducting an inspection and determining that the Lot Owner has not cured the violation, may take legal action against the Lot Owner for the violation, which legal action shall not include foreclosure against the Lot Owner for fines owed. The Lot Owner's account will be assessed the costs and attorneys' fees incurred by the Association, and interest will accrue on all amounts due at the rate of 8% per annum.

8) All fines, accrued interest, costs, and attorneys' fees charged to the Lot Owner's account will become an assessment against the Lot Owner's property.

The Board shall deliver the 30 day notices required by this Article II-A by certified mail, return receipt requested, to the Lot Owner at their current mailing address of record, and by posting a copy on the Owner's Lot. The Board shall also contact the Lot Owner by two of the following methods:

- A. telephone call to a telephone number that the Association has on file because the Lot Owner or their designated contact provided the number to the Association, with a voicemail message if the attempted contact by telephone is not possible;
- B. text message to a cellular or voice message left to number that the Association has on file because the Lot Owner or their designated contact has provided the cellular number to the Association; or
- C. email to an email address that the Association has on file because the Lot Owner or their designated contact has provided the email address to the Association.
- D. by regular mail, if the Lot Owner or their designated contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

Examples of Protective Convents that require HOA Review / Approval
These examples are not all inclusive (see Protective Covenants):

1. New Decks
2. Replacement of decks that are different than original or a different color.
3. Outbuildings
4. Landscaping
5. Additions
6. Fences
7. House painting that is a different color.
8. New Construction and Land Use: must be approved.
9. Subdivision of Lots
10. Safety: Weapons may not be fired; open fires not allowed; operating vehicles in an unsafe manner.
11. Animals: No commercial pets; household pets are subject to Teller County laws; outdoor pet areas must be kept clean.
12. Garbage and Refuse Disposal: all waste must be removed; no toxic waste dumped within Rosewood Hills.
13. Water: No outside water use; water is for in house/household use only and for firefighting only; dams, ponds and/or lakes require approval by Board of Directors and will be returned to original property status and all costs borne by Property Owners.
- 14.

Teller County Requirements - Statutes for Resident's / Public's Safety, Security and Health for Rosewood Hills Residential community

Speed Limits on All Roads	Building Standards
Parking Restrictions on All County Roads	Outdoor Fire Restrictions
Animal Control Management	Fire Arms / Open
shooting	
Vehicle Licensing and storage	

Approved Lease - Rental Use (reference Protective Covenants)
These are examples, these are not all inclusive:

1. Copy of Lease or rental agreement of continued primary lessee /renter of (30 days or more) given to HOA.
2. Contact information for property manager and tenants given to HOA.
3. Tenants shall be provided a copy of RHPHA Protective Covenants and policies by the property Owner to lessee / renter.
4. A copy of all rental lease agreements / Leases for any Rosewood Hills Property will be provided to the Board of Directors. 15 days prior to lease/rental start.
5. Short Term Lease/Rentals (less than 30 days) are strictly prohibited.
6. Subletting is not authorized at any time.
7. Lease / Rental cancellation clause shall not result at any time in more than one lease / /rental tenant in a less than 30 day period.

III. Conflicts of Interest.

Board members and Officers must avoid conflicts of interest, and must not engage in any “conflicting interest transactions” while exercising their duties on behalf of the Association.

The term “conflicting interest transaction” means: a contract, transaction, or other financial relationship between the Association and a Board member of the Association, or

between the Association and a party related to the Board member, or between the Association and an entity in which the Board member is a director or officer or has a financial interest. A “party related to a Board member” shall mean a spouse, a descendent,

an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the

Board member or a party related to a Board member has a beneficial interest, or an entity

in which a party related to a Board member is a director, officer, or has a financial interest.

In the event a Board member suspects that they may have a conflict of interest, the following procedure must be implemented:

1) The material facts as to the Board member’s relationship or interest and as to the conflicting interest transactions must be disclosed to the Board.

2) If the information disclosed is sufficient to enable the Board to determine that a

conflicting interest transaction will not arise or result from the Board member's participation, and the conflicting interest transaction is fair to the Association, the Board may authorize, approve, or ratify the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board members.

3) After reporting the conflict and disclosing the material facts to the Board, the Board member reporting a possible conflict of interest must recuse themselves from all discussions and may not vote on the issue.

4) The Board member with a potential conflict may be counted in determining the presence of a quorum at a meeting of the Board that authorizes, approves, or ratifies the conflicting interest transaction.

Notwithstanding the foregoing, no loans shall be made by the Association to members of the Board.

IV. Conduct of Meetings

The Board shall issue proper advance notice of all regular and special meetings of the Association and of the Board pursuant to the notice requirements contained in the Covenants and the Bylaws. The Board shall adhere to the following policies for the conduct of meetings:

1) All meetings of the Association and of the Board are open to every Lot Owner of the Association, or to any person designated in writing by a Lot Owner as the Lot Owner's representative.

2) At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Lot Owners or their designated representatives shall be permitted to speak regarding the issue. The Board may place reasonable time limits on persons speaking, and will allow persons with opposing views to speak if present.

3) The members of the Board or any committee of the Board may hold an executive or closed door session during a regular or special meeting, and may restrict attendance to

Board members and such other persons requested by the Board. The matters to be discussed at an executive session are limited to the following:

a) matters pertaining to employees of the Association, or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

c) investigative proceedings concerning possible or actual criminal misconduct;

d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;

e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and

f) review of or discussion relating to any written or oral communication from legal counsel.

4) Prior to the time the members of the Board or committee convene in executive session, the chairperson shall announce that the Board or committee will go into executive session, the general matter of discussion from those listed above, those who will be allowed to participate in the executive session, and the time the executive session will begin.

5) No rule or regulation of the Board or any committee shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

6) The Secretary shall prepare minutes of all regular and special meetings and distribute the draft minutes to the Board members within 30 days after the meeting. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

The Board shall review and vote to amend and/or ratify the minutes at the next regular meeting of the Board.

V. Reserve Funds

Reference Reserve Study Policy adopted 19 January 2017.

VI. Annual Disclosures.

By no later than March 31 each year, the Board shall make the following information available in the Association's principal business office to Lot Owners by request:

- 1) the date on which the Association's fiscal year commences;
- 2) the Association's operating budget for the current fiscal year;
- 3) a list, by Lot type, of the Association's current assessments, including both Regular and special assessments;
- 4) the Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- 5) the results of the Association's most recent available financial audit or review;
- 6) a list of all Association insurance policies including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies (including company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed);
- 7) the Association's Articles of Incorporation, Bylaws, and Rules and Regulations;
- 8) the minutes of the Board's and member meetings for the fiscal year immediately preceding the current annual disclosure; and
- 9) the Association's responsible governance policies adopted under Section 38-33.3-209.5, Colorado Revised Statutes.

The Annual Disclosures shall be available for inspection by appointment. A Lot Owner may review the Annual Disclosures by submitting a written request to the Secretary of the Association addressed as follows:

Jim Hitt
Email: jimhitt1967@yahoo.com

Address: P.O. Box 5222
City: Woodland Park
State: Colorado 80866

The foregoing Responsible Governance Policies and other policies, procedures, rules and regulations adopted by the Board shall be reviewed on an annual basis and updated as deemed necessary by the Board.

CERTIFICATION

The undersigned, being the President of the Rosewood Hills Property and Homeowners Association, a Colorado non-profit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on 30 July, 2025, and in witness therefore, the undersigned has subscribed his name below.

ROSEWOOD HILLS PROPERTY HOMEOWNERS ASSOCIATION, INC. (RHPHA)

Original Signature on File
By: Mike Neubert, President

ATTEST:

Original Signature on File
By: Jim Hitt, Secretary