

**RESPONSIBLE GOVERNANCE POLICIES
OF
THE PLUNGE CONDOMINIUMS OWNERS ASSOCIATION, INC.**

The following Responsible Governance Policies (individually a “**Policy**” and collectively the “**Policies**”) are adopted by the Executive Board of The Plunge Condominiums Owners Association, Inc. (the “**Association**”) pursuant to the Governing Documents of the Association and for purposes of complying with the responsible governance provisions of the Colorado Common Interest Ownership Act, C.R.S. sec. 38-33.3-101, et seq. (the “**Act**”).

1. Policy #1 Collection of Unpaid Assessments
2. Policy #2 Handling of Conflicts of Interest Involving Board Members
3. Policy #3 Conduct of Meetings
4. Policy #4 Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines
5. Policy #5 Maintenance, Inspection and Copying of Association Records
6. Policy #6 Procedures for the Adoption and Amendment of Policies, Procedures, and Rules
7. Policy #7 Procedures for Addressing Disputes Arising Between the Association and Owners
8. Policy #8 Policy Concerning Reserves

These Policies are in addition to the terms and provisions of the Declaration, Articles of Incorporation, and Bylaws of the association and any Rules which may be adopted by the Board (collectively the “**Governing Documents**”), and the laws of the State of Colorado. These Policies may be amended from time to time by the Board as set forth in Policy 6, below. Capitalized terms that are not defined herein shall have the meaning assigned to them in the Governing Documents.

Responsible Governance Policy #1 Collection of Unpaid Assessments

1. Assessments; Invoices; Monthly Statements of Outstanding Amounts. Invoices for regular assessments for annual common expenses are emailed to Owners (and their contact, if any, designated pursuant to Section 10a below) each month. Every month, the Association shall also send to each Unit Owner who has any outstanding balance owed the Association an itemized list of all assessments, fines, fees, interest and any other charges that the Unit Owner owes to the Association. The Association shall send such statements in English and in any other language that the Unit Owner has notified the Association of the Unit Owner's preference for pursuant to section 10a below. Failure of the Board to timely send an invoice for an installment of regular or special assessments due, or a monthly statement of past due amounts shall not relieve or release any Owner from liability for payment.

2. Due Dates. The date of the invoice is the due date. Pursuant to Colorado law, assessments or other charges not paid in full to the Association within fifteen (15) days of the due date shall be considered past due and delinquent and shall incur late fees and interest as provided below. The Board shall notice all Owners of any change of regular or special assessments within ten (10) days of such changes. Owners are responsible for providing their correct email address and mailing address to the Association's Manager.

3. Receipt Date. The Association shall generally post payments within five (5) days of the date that the payment is received.

4. Late Charges and Interest on Delinquent Installments. The Association shall impose a late charge of fifty dollars (\$50.00) per installment for each Owner who fails to timely pay such Owner's assessment installment within fifteen (15) days of the due date. The Association shall also impose interest at the rate of eight percent (8%) per annum on the amount owed for each Owner who fails to timely pay their installment of a regular or special assessment within fifteen (15) days of the due date. Late charges shall not be imposed on a daily basis and interest shall not be imposed on interest.

5. Lien for Assessments and Other Amounts. Pursuant to the Declaration and Colorado law, the Association shall have a lien against each Unit to secure payment of any assessment, charge, fine, late fee, penalty and other amounts due and owing to the Association by an Owner with respect to the Owner's Unit. Such lien may be foreclosed in any manner provided by law and the Governing Documents, subject to the limitations set forth in Section 13 below.

6. Personal Obligation. The amount of any assessment, charge, fine, late fee, and/or interest payable by any Owner shall be a joint and several obligation to the Association of the Unit Owners and such their heirs, personal representatives, successors and assigns. Each such amount, together with interest thereon, may be recovered by suit for a money judgment by the Association without foreclosing or waiving any lien securing the same.

7. Return Check Charges. In addition to any and all charges imposed under the Governing Documents, or this Policy, a fifty dollar (\$50.00) fee and any charges assessed by the Association's bank shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such 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 shall be 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 charges shall be due and payable immediately, upon demand and the Association shall be entitled to all additional remedies as may be provided by law. Returned check charges shall be the obligation of the Owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Governing Documents or this Policy after the date adopted. If an Owner's check is returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees and interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the installment of the annual assessment is not timely made within fifteen (15) days of the due date.

8. Attorney Fees on Delinquent Accounts. As permitted under the Governing Documents and by Colorado law, the Association shall be entitled to recover collection costs and expenses, including but not limited to reasonable attorneys' fees incurred, once the Association has complied with the notice requirements set forth in section 10 below (and section 38-33.3-209.5(1.7)(a) of the Act) and other charges due the Association from a delinquent Owner.

9. Application of Payments. If a Unit Owner who has both unpaid assessments and unpaid fines, fees, or other charges makes a payment to the Association, the Association shall apply the payment first to the assessments owed and any remaining amount of the payment to the fines, fees, returned check charges or other charges owed.

10. Collection Process.

- a. After an installment of an assessment or other charges due to the Association becomes more than sixty (60) days delinquent, the Association shall send a written notice (the "**First Notice**") of non-payment, the amount past due, and interest and late fees that have accrued and a request for immediate payment. This First Notice shall be posted on the delinquent Unit Owner's Unit and sent via U.S. mail, certified, return receipt requested. The Association shall also send a copy to the Owner via regular first-class U.S. Mail, via e-mail (provided the Owner has provided an e-mail address that is in effect) or via text message (provided the Owner has provided a cellular number). A Unit Owner may identify in a written notice sent to the Association, another person to serve as a designated contact for the Unit Owner to be contacted on the Unit Owner's behalf for purposes of this Section 10. Such notice to the Association shall be sent via U.S. mail, certified, return receipt requested,

with a copy sent via regular first-class U.S. Mail, and via e-mail to the Association and its Manager, if any. A Unit Owner must also notify the Association, in the manner set forth above, if the Unit Owner prefers that correspondence and notices from the Association be made in a language other than English, so long as such language may be translated from English utilizing Google Translate. The Unit Owner and the Unit Owner's designated contact, if any, must be sent the same correspondence and notices anytime communications are sent out; except that the Unit Owner must receive the correspondence and notices in the language for which the Unit Owner has indicated a preference as set forth above, if any, in addition to English. A notice to a Unit Owner which is translated from English utilizing Google Translate shall be sufficient for all purposes hereunder, notwithstanding any translation errors. Any notice from a Unit Owner to the Association must be in English.

The First Notice shall contain the following information:

- i. It shall specify the total amount due, with an accounting of how the total was determined, including unpaid assessments, fines, late fees, interest, and any other charges (the "**Delinquent Amount**").
 - ii. It shall contain the name and contact information of the individual the Owner may contact to request a copy of the Owner's account statement in order to verify the amount of the debt (there shall be no charge for an account statement) and the Association shall not charge the Owner for providing such statement.
 - iii. It shall inform the Owner that the Owner is entitled to enter into a Payment Plan as provided below.
 - iv. It shall notify the Owner that, unless within thirty (30) days of the date of the First Notice, the Owner either pays off the fully Delinquent Amount, or enters into a payment plan to pay off the Delinquent Amount, as set forth herein, the Association may notice and conduct a Board hearing (pursuant to Section 10.d. below) to: authorize referring the Delinquent Amount to a collection agency or an attorney for collection; authorize a lawsuit being filed against the Owner to collect the Delinquent Amount; authorize the foreclosure of the Association's lien against the Owner's Unit, authorize court appointment of a receiver; authorize, where applicable, the filing in small claims, county or district court, as jurisdictionally allowed, for an injunction against the Owner and/or authorize the pursuit of any other remedies available under Colorado law.
- b. The Association shall make a good-faith effort to coordinate with the Owner to enter into a written agreement setting up a payment plan ("**Payment Plan**"). Such Payment Plan negotiated between the Association (or a holder or assignee of the Association's debt) and the Owner pursuant to this section and shall permit the Owner to pay off the Delinquent Amount in installment amounts determined by the Unit Owner, but in no event less than \$25.00 per month until the balance owed is less than \$25.00, over a period of at least eighteen (18) months, with no prepayment penalty. Nothing in this section prohibits the

Association or a holder or assignee of the Association's debt from pursuing legal action against the Owner in the event the Owner fails to remit three (3) or more installments under the Payment Plan or fails to remain current with regular assessments as they come due while the Payment Plan is in effect. The Payment Plan shall authorize the Association to notice a formal Board meeting in executive session (pursuant to C.R.S. §38-33.3-308 (4)(e)) for purposes of authorizing legal action to collect the Delinquent Amount if the Owner fails to comply with the Payment Plan. Payment Plans shall be written in English.

- c. The requirement for the Association to attempt to arrange a Payment Plan with the Owner does not apply if:
- i. 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; or
 - ii. The Owner has previously entered into a Payment Plan under this section.
- d. If within thirty (30) days after the Association has offered a Payment Plan the Owner has either declined the Payment Plan either affirmatively in writing or by failing to provide written notice to the Association of acceptance of the Payment Plan, or, if after accepting the Payment Plan, the Owner has failed to pay at least three (3) monthly installments within fifteen (15) days after the monthly installments were due, the Association shall issue a written notice ("**Second Notice**") to the Owner and their designated contact, if any, as specified in Section 10.a., above, notifying the Owner that the Board shall be convening a meeting to authorize in an executive session, pursuant to C.R.S. §38-33.3-308(4)(e), legal action to collect the Delinquent Amount as provided above. Such Second Notice shall be issued at least ten (10) days prior to the Board meeting and shall state that if the Delinquent Amount is paid in full prior to the Board meeting, the executive session to authorize such legal action shall be canceled. If the Delinquent Amount remains unpaid, and a majority of the Board so elects, then at the executive session, the Board shall formally resolve, by a recorded vote, to refer the delinquent account to a collection agency or an attorney. At the meeting, the Board may authorize the legal action (including but not limited to foreclosure) to be filed, but the Board shall not authorize the foreclosure to be actually filed until and unless the balance of the Delinquent Amount equals or exceeds six (6) months of regular common expense assessments based on a periodic budget adopted by the Association. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include the Association's costs and expenses of the action, including but not limited to attorney fees, expert witness fees, court costs, administrative costs and expenses, interest and late fees.
- i. The Association shall make a record of any contacts to or from Unit Owners regarding collection of past due amounts, including information regarding the type of communication used to contact the Unit Owner and the date and time that the contact was made. Any contact that the Manager makes on behalf of the Association

is deemed a contact made by the Association and not by a debt collector as defined in C.R.S. §5-16-103(9), or any successor provision of the Colorado statutes.

- ii. In addition to the steps outlined above, the Board may suspend any Owner's voice and vote at any meeting and from participation in any Association activities if such Owner has an existing past due indebtedness to the Association. Such suspended owner shall not be entitled to receive a proxy from any other owner or to grant a proxy to anyone.

11. Certificate of Status of Assessment. The Association shall furnish, free of charge, to an Owner or such Owner's designee or to a holder of a security interest or its designee request upon written request to the Association, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Unit. The statement shall be furnished within 14 calendar days after receipt of the request.

12. Bankruptcies and Foreclosures. 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 Association shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. Authorization of Action to Collect Delinquent Accounts. The Association may not pursue legal action to enforce unpaid assessments until the Unit Owner fails to pay at least three (3) monthly installments or one (1) annual or quarterly installment. Upon the Board's authorization to proceed with collection procedures (i.e. to refer the delinquent account to an attorney or collection agency), the Association shall take all appropriate action to collect the accounts referred. The Association is authorized to take whatever action available under Colorado law as the Board deems necessary and that is in the Association's best interests, including, but not limited to:

- a. Filing of a suit against the delinquent Owner for a money judgment;
- b. Instituting a judicial foreclosure action of the Association's lien (if and when the amount due exceeds 6 months' worth of regular assessment installments, unless the debt consists only of fines, collection costs and expenses or attorney fees that the Association has incurred and that are only associated with the assessed fines);
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- d. Filing a court action seeking appointment of a receiver.
- e. Legal action to collect assessed fines, costs, expenses and other amounts associated with a non-monetary violation of the Governing Documents are subject to additional requirements of the Act, the Governing Documents and the Association's enforcement Policy(ies) in effect from time to time.

14. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments as set forth above. A receiver is a

disinterested person, appointed by the court that manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to: obtain payment of current assessments, reduce past due assessments; and prevent the waste and deterioration of the Unit.

15. Foreclosure. Foreclose may only occur if the balance of assessments and charges secured by the Association’s lien equals or exceeds 6 months of common expense assessments based on a periodic budget adopted by the Association and the board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Unit on an individual basis. Foreclosure may not be pursued if the debt consists only of fines assessed against the subject Unit and Unit Owner and/or attorneys’ fees, expenses and costs incurred in connection with enforcing or collecting fines. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment.

16. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as permitted by law, as the Association shall determine appropriate under the circumstances.

CERTIFICATION

The foregoing Responsible Governance Policy #1, Collection of Unpaid Assessments, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

DocuSigned by:
Michael Barron 4/18/2024 | 8:40 AM PDT
By: 6669DA4200E94D6
Mike Barron, President

Responsible Governance Policy #2 Conflicts of Interest Involving Board Members

1. Definition. A “conflicting interest transaction” means: a contract, transaction, or other financial relationship between the Association and a Director (i.e. member of the Association’s Executive Board) of the Association, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a Director or officer or has a financial interest. “Officer” means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board. No loans shall be made by the Association to its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

2. Procedures. The following procedures shall be followed when a conflict of interest exists. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction. A “party related to a Director” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director, officer, manager or has a financial interest.

- a. The conflicted Director must disclose to the Board in detail the material facts as to the Director’s relationship or interest regarding the conflicting interest transaction.
- b. The conflicted Director may be present and participate in the meeting of the Association’s Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the conflicting interest transaction, but the conflicted Director may not participate in the final deliberations of the Board, nor may the conflicted Director vote on the conflicting interest transaction.
- c. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the conflicting interest transaction involves a Director of the Association or a party related to a Director or an entity in which a Director of the Association is a Director or Officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association’s Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the conflicting interest transaction if:
 1. The material facts as to the Director’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board committee in good faith authorizes, approves, or ratifies the conflicting interest transaction

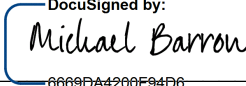
by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; and

2. The conflicting interest transaction is fair as to the Association.
- d. Review. The Board shall review the Association's conflict of interest policies at least three (3) years.

CERTIFICATION

The foregoing Responsible Governance Policy #2, Conflicts of Interest, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

By:  4/18/2024 | 8:40 AM PDT
Mike Barron, President

Responsible Governance Policy #3 Conduct of Meetings

1. Owner Participation. The Board encourages Owner participation in all Owners meetings, Board meetings and Board committee meetings.

2. Conduct of Meetings. Owners' meetings, Board meetings and Board committee meetings shall follow Robert's Rules of Order or other reasonable procedures for the efficient and fair conduct of meetings. Meetings shall be conducted in accordance with the following protocols:
 - a. The President shall chair all meetings. If the President is unavailable, the Vice President shall chair. If the Vice President is unavailable, the Board shall appoint an alternate chair, which may be the Association's manager or administrator.
 - b. Owners meetings are limited to attendance by Owners and their representatives and by such other parties as the Board shall authorize.
 - c. Roll call shall be taken, and any proxies shall be noted.
 - d. Anyone wishing to speak must first be recognized by the Chair. Only one person may speak at a time. Each person who speaks shall first state his or her name and Unit owned. Those addressing the meeting shall be permitted to speak for a reasonable period of time without interruption as long as these rules are followed. The Chair may place reasonable restrictions on the length of comments and the number of Owners making comments if the comments are duplicative, as determined by the Chair based upon the number of individuals wishing to speak, the length of the agenda and other time constraints. Owners supporting prior comments may simply reference the fact without further discussion. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting. Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
 - e. All actions and/or decisions will require a first and second motion. There shall be no action on items unless such item was on the meeting agenda or reasonably inferable therefrom.
 - f. Once a vote has been taken, there will be no further discussion regarding that topic unless authorized by the Chair.
 - g. Any motions must be seconded prior to further discussion and voting. Because the nature of a motion and vote may be outside the Owners' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or rather a recommendation for proceeding.
 - h. So as to allow for and encourage full discussion by Owners, no meeting may be recorded by audio or video unless specifically authorized by the Board. Minutes of the meeting shall be kept by the Association as directed by the Board at the commencement of the meeting. Minutes shall be a concise summary of topics and major discussion points, and motions made, including the movant and the second, and the conclusion of the motion. Minutes shall be first approved by the Board and then distributed to the Owners within a reasonable time following the meeting date.

3. Owners Meetings. Owners' meetings shall be and noticed as set forth in Section 4.3 of the Bylaws. The notice, agenda and other meeting materials shall also be provided to all Owners as set forth in the Bylaws and via email, to the extent each Owner has provided the Association with a valid email address. The notice of any Owners meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. The notice shall also be posted on the Association's website, if the Association has a website. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board. The notice shall include call-in and other instructions allowing parties to participate via telephone, and Internet if any such presentations are included in the meeting. Owners may declare in writing not to receive notices of such regular or special owner or Board meetings by United States mail and request Email notifications as their primary means of communications.
4. Electronic Participation. Directors and Owners may participate in Board meetings, Owners' meetings and/or Board committee meetings via electronic means, including via telephone and/or Internet. Votes cast in such a manner shall be valid and shall be counted as if such Director, committee member and/or Owner were present in person at the meeting.
5. Voting and Proxies / Owners Meetings. In the event of multiple Owners of one Unit, only one vote from each Unit will be counted for each ballot item. All ballots will be counted by three "Inspectors of Election" who are neutral parties or Owners appointed by the Board. In the event of an election for Director, voting shall be by secret ballot, and the Inspectors of Election shall not be candidates, and results of votes will be reported without reference to names, addresses or other identifying information of those casting ballots. All votes taken at a meeting of the Owners shall be taken in such method as determined by the Board including by hand, by voice, by ballot or by electronic means. An Owner may appoint a representative to vote on behalf of said Owner by written General or Directed proxy. Proxies must be signed and dated and must specifically authorize action at the specific Owners meeting. Proxies are not valid for any other meeting. Proxies must be provided to the Association prior to the commencement of the meeting. Proxies shall be counted for determination of quorum. The Board may suspend any Member's voice and vote at any meeting and from participation in any Association activities if such Owner has an existing indebtedness of any Assessment to the Association. Such suspended Member shall not be entitled to receive a proxy from any Member or grant a proxy to anyone.
6. Voting at Board Meetings; Proxies. Votes taken by the Board shall be taken in such method as determined by the Board including by hand, voice, written ballot or electronically. Board proxies shall be permitted pursuant to the Act.
7. Board Meetings. All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all Owners or their representatives. Agendas for meetings of the Board shall

be made reasonably available for examination by all Owners or their representatives. Electronic notice of Board meetings shall be given as soon as possible but at least twenty-four hours (24 hours) before the meeting.

- 8. Owner Participation in Board Meetings. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Owners or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue. After such time, non-Board Members may not participate in deliberations or discussions unless a majority of the Board quorum votes to allow it.

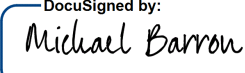
- 9. Executive Session. The Board or any committee thereof may hold an executive or closed-door session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall include only matters as set forth in Section 2.12 of the Bylaws. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting. Prior to the time the members of the Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion under Section 2.12 of the Bylaws. No Rules shall be adopted during an executive session. Rules may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session. 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. Meetings in executive session shall not be recorded with the use of an audio or video device.

- 10. Action Without Meeting. Actions of the Owners may be taken without a meeting, by mail ballot as set forth in the Bylaws, except that review and consideration of annual budgets by the Members must occur at a meeting. Actions of the Board without a meeting may be accomplished by unanimous written consent of the Board.

CERTIFICATION

The foregoing Responsible Governance Policy #5, Conduct of Meetings, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

By:  _____
DocuSigned by:
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 Mike Barron, President

4/18/2024 | 8:40 AM PDT

Responsible Governance Policy #4
Enforcement of Covenants, Restrictions and Rules

1. Governing Document Violations Generally

a. If the Association reasonably determines that an Owner (or their family member, guest, tenant, contractor, or other invitee) has violated any provision of the Governing Documents, other than a violation that threatens public health or safety, the Association shall, through certified mail, return receipt requested, provide the Owner written notice (in English and in any language that the Owner has notified the Association of the Owner's preference for pursuant to Section 3 below), of the violation informing the Owner that the Owner has thirty (30) days to cure the violation.

b. If the Owner cures the violation within the period to cure afforded the Owner, the Owner may notify the Association of the cure and, if the Owner sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the Owner sends the notice. If the Owner's notice does not include visual evidence that the violation has been cured, the Association shall inspect the Unit as soon as practicable to determine if the violation has been cured. If the Association does not receive notice from the Owner that the violation has been cured, the Association shall inspect the Unit within seven (7) days after the expiration of the thirty (30)-day cure period to determine if the violation has been cured.

c. If, after the inspection and whether or not the Association received notice from the Owner that the violation was cured, the Association determines that the violation has not been cured: (i) a second thirty (30)-day period to cure commences if only one thirty (30)-day period to cure has elapsed; or (ii) the Association may take legal action if two thirty (30)-day periods to cure have elapsed.

d. Once the Owner cures a violation, the Association shall notify the Owner (in English and in any language that the Owner has notified the Association of the Owner's preference for pursuant to Section 3 below, with a copy sent to the Owner's representative, if any, designated pursuant to Section 3 below): (i) that the Owner will not be further fined with regard to the violation; and (ii) of any outstanding fine balance that the Owner still owes the Association.

2. Violations Threatening Public Health or Safety

With respect to any violation of the Governing Documents that the Association reasonably determines threatens public safety or health, the Association shall provide the Owner written notice (in English and in any language that the Owner has notified the Association of the Owner's preference for pursuant to Section 3 below, with a copy sent to the Owner's representative, if any, designated pursuant to Section 3 below), of the violation informing the Owner that they have seventy-two (72) hours to cure the violation or the Association may fine the Owner. The Association shall also send a copy of the notice to the Owner via regular mail and via e-mail (provided the Owner has provided an e-mail address that is in

effect). If, after an inspection of the Unit, the Association determines that the violation has not been cured within seventy-two (72) hours, the Association may impose fines on the Owner and may take legal action against the Owner for the violation as set forth below.

3. Contents of Violation Notices. Violation notices:

- a. Shall identify the alleged violation;
- b. Shall identify the action required to cure the violation;
- c. Shall state the timeline for a hearing that will be held in executive session for the Board to consider corrective action, legal action and/or the assessment of fines, costs, expenses legal fees, etc.;
- d. Shall specify the amount and interval of fines that may be levied for continuing violations, which shall not be levied more than every other day.

An Owner may identify in a written notice sent to the Association, another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf for purposes hereof. Such notice to the Association shall be sent via U.S. mail, certified, return receipt requested, with a copy sent via regular first-class U.S. Mail, and via e-mail to the Association and its manager. An Owner must also notify the Association, in the manner set forth above, if the Owner prefers that correspondence and notices from the Association be made in a language other than English, so long as such language is translatable from English utilizing Google Translate. The Owner and the Owner's designated contact, if any, must be sent the same correspondence and notices anytime communications are sent out; except that the Owner must receive the correspondence and notices in the language for which the Owner has indicated a preference as set forth above, if any, in addition to English. A notice to an Owner which is translated from English utilizing Google Translate shall be sufficient for all purposes hereunder, notwithstanding any translation errors. Any notice sent by or on behalf of an Owner to the Association or its manager must be in English.

4. Complaints by Owners

Owners are encouraged to resolve concerns and complaints amicably with their neighbors. Unresolved complaints regarding alleged violations may be reported by an Owner or resident within the Community by submission of a written complaint by email to the Association and/or sent U.S. Mail to the Association. Complaints by Owners shall identify the complainant and the alleged violator if known, describe the alleged violation, describe when and where the violation was observed, and provide any other pertinent information. Photographs and audio or video recordings are recommended where possible. Complaints may also be initiated by any member of the Board or the Association's manager. The Board shall have no obligation to consider oral complaints or anonymous complaints that cannot be independently verified. The Board shall have the discretion to determine the scope of investigation and any inspections, grant extensions of required cure periods, undertake informal communications with the alleged violator, and to determine whether a complaint is justified, before following the Notice and Hearing Procedure.

5. Fact Finding Hearings

In cases other than where the Association reasonably determines that a violation threatens public health or safety, the Association shall, pursuant to Section 1, above, grant a Unit Owner two (2) consecutive thirty (30)-day periods to cure a violation before the Association may take legal action against the Unit Owner for the violation. If the notice includes notice of a Board meeting/hearing, the notice shall be given not less than ten (10) days before the date of the scheduled Board meeting/hearing. The hearing shall be held in executive session, and the subject Owner(s) shall have the right, personally or by a representative, to give testimony orally, in writing or both, subject to any reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Any evidence shall be duly considered, but it is not binding in making the decision. The Board shall deliberate and make its decision in executive session without the subject Owner(s) or their representatives present, and the subject Owner(s) shall be provided a copy of the Board decision.

6. Fines, Legal and/or Corrective Action

Fines may not be assessed without notice and the opportunity for the violating Owner to be heard at a Board meeting concerning whether the alleged violation actually occurred and whether the Owner is the one who should be held responsible for the violation.

If the Board determines that the Owner should not be held responsible for the alleged violation, the Association shall not allocate to the Owner's account with the Association any of the Association's costs, expenses or attorneys' fees incurred in noticing or hearing the claim, other than the Owner's general share of common expenses as a member of the Association.

If, at the Board's hearing, the Board concludes that a violation has taken place, the Board may:

- a. Impose fines in its discretion, of up to \$250 per day, levied not more than every other day, for the duration of the violation, except that the total amount of fines imposed for the violation may not exceed \$500.00.
- b. Assess the Association's attorneys' fees and expenses and costs incurred in connection with the enforcement, including but not limited to fees incurred in conferring with counsel and having notices issued, which may be collected from the Owner(s) as a common expense pursuant to the Act and the Governing Documents.
- c. Authorize corrective action by the Association and assess the cost and expense thereof to the Owner and Unit.
- d. If the violation is continuing, and the Board has reason to believe the Owner is refusing to cease the violation, the Board may also authorize legal action against the Owner for injunctive and other appropriate relief, including damages, attorneys' fees and other costs and expenses incurred, etc., and, if authorized by the Declaration, eviction of tenants. Legal action, however, may not be commenced until after expiration of the requisite cure period. The Association may not pursue foreclosure based on fines, and/or associated costs and expenses of collection and attorney fees, alone.

7. Conflicts

Any Director who is incapable of objective and disinterested consideration on any hearing before the Board, as determined by the Board, shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall be disqualified from all proceedings with regard to the hearing. A conflicted Director shall be one with a direct personal or financial interest in the outcome of the decision. A Director shall not be deemed to have a direct personal or financial interest in the outcome if the Director will not, as a result of the outcome, receive any greater benefit or detriment than will the general ownership of the Association.

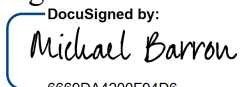
8. Waiver of Fines.

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 Governing Documents.

CERTIFICATION

The foregoing Responsible Governance Policy #4, Enforcement of Covenants, Restrictions, and Rules, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

By:  4/18/2024 | 8:40 AM PDT
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Mike Barron, President

Responsible Governance Policy #5
Maintenance, Inspection and Copying of Association Records by Owners

1. Records Maintained. The Association shall maintain records as required by Section 8.3 of the Bylaws as well as CRS Section 38-33.3-317, as amended from time to time.

2. Inspection/Copying Association Records. An Owner or such 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 records of the Association shall be at the Owner's expense;
 - b. The inspection and/or copying of records of the Association shall be conducted by appointment during regular business hours of 9 a.m. to 4 p.m. at offices of the Association; and
 - c. The Owner shall give the Association a written request describing with reasonable particularity the records sought, at least ten (10) business days before the date on which the Owner wishes to inspect and/or copy such records.

3. Purpose/Limitation. Without the written consent of the Board, an Ownership list or any part thereof 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 to be held by the Association;
 - b. Sold to or purchased by any person; or
 - c. Obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner.

In no event shall the Association records be used for any commercial purpose.

4. Exclusions. Pursuant to Colorado law, certain records may be withheld from inspection and/or copying, and certain records must be withheld from inspection and/or copying, as follows.
 - a. Without the written consent of the Board, Records maintained by the Association shall be withheld from inspection and/or copying to the extent that they are or concern:
 1. Architectural drawings, plans, and designs, unless such drawings, plans, or designs; have been presented to the Board or the Architectural Review Committee.
 2. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
 3. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
 4. Records of an executive session of the Board; and/or
 5. Individual units other than those of the requesting owner.
 - b. The following records shall not be available for inspection and/or copying:
 1. The email address of an Owner, unless the Owner has provided a written consent authorizing the release of the Owner's email address to other Owners.

2. Any documents that are confidential under constitutional, statutory or judicially imposed requirements;
3. Personnel, salary, or medical records relating to specific individuals;
4. Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth, bank account information, telephone numbers and driver's license numbers; or
5. Records that the disclosure of which would be in violation of the law.

5. Fees/Costs/Expenses. Any Owner requesting copies of Association records shall be responsible for all actual costs and expenses incurred by the Association, which have been determined to be \$75.00 per hour for the time to search for, retrieve, and copy such records, and \$0.25 per page for copies. For copy requests estimated to be \$10.00 or more, the Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, the Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.

6. Inspection. The Association reserves the right to have a third-party present to observe during any inspection of records by an Owner or the Owner's representative such third part costs of \$40.00 per hour shall be assessed to the respective Owner(s).

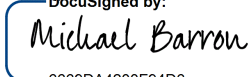
7. Originals, Means. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, an original book or record of the Association. The right to copy records under this Policy includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission, if available, upon request by the Owner.

8. Creation of Records. The Association shall generally maintain all records in electronic format. Nothing contained in the Policy shall be construed to require the Association create records that do not exist, compile records or information in a particular format or order, or synthesize information.

CERTIFICATION

The foregoing Responsible Governance Policy #5, Maintenance, Inspection and Copying of Association Records by Owners, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

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Mike Barron, President

**Responsible Governance Policy #6
Adoption and Amendment of Policies, Procedures and Rules**

1. Adoption. These Responsible Governance Policies were adopted by the Board after Notice and Comment from the Owners.

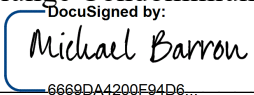
2. Amendments. These Responsible Governance Policies may be amended by the Board, and after “Notice and Comment” from the Owners.

3. Notice and Comment. The right of the Owners to Notice and Comment means the Owners have the right to receive notice of the proposed action and the right to comment orally or in writing prior to the time the Board takes formal action on the matter. Notice of the proposed action shall be given to the Owners in writing, delivered personally, or by U.S. mail, at such address as appears in the records of the Association, or via email (provided the Owner has supplied an email address) not less than fifteen (15) days before date on which the proposed action is to be taken. It shall invite comment to the Board orally or in writing. Owners may declare in writing not to receive notices of such regular or special owner or Board meetings by United States mail and request email notifications as their primary means of communications.

CERTIFICATION

The foregoing Responsible Governance Policy #6, Adoption and Amendment of Policies, Procedures and Rules was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

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Mike Barron, President

**Responsible Governance Policy #7
Procedures for Addressing Disputes Between the Association and Owners**

Except as set forth below, in the event of any dispute between the Association and an Owner or Owners for which a Policy with procedures to address such dispute is not otherwise provided by these Policies or by a method or procedure contained in the Governing Documents, the Association may not file or pursue any formal judicial proceedings before first submitting the matter to the notice and hearing process outlined in the Policy 4. Likewise, an Owner or Owners may not file or pursue any formal judicial proceedings against the Association before first notifying the Association and requesting a hearing before the Board in the manner outlined in Policy 4. Notwithstanding the foregoing, no notice and hearing process shall be required in any way delay or hinder the Association’s rights or remedies regarding emergency or similar circumstances posing an imminent threat to the peace, health, or safety of the Project and/or its occupants.

CERTIFICATION

The foregoing Responsible Governance Policy #7, Procedures for Addressing Disputes Between the Association and Owners, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

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Mike Barron, President

**Responsible Governance Policy #8
Reserve Policy**

1. Reserve Study. The portions of the community that the Association is responsible for typically have limited but reasonably predictable useful lives. The Association may have one or more reserve studies performed for the portions of the community maintained, repaired, replaced, and improved by the Association. The Association reserve studies may be updated by the Association as determined by the Board. The reserve study may be based on a physical analysis and a financial analysis. The Association may consider implementing a funding plan for work recommended by the reserve study. The Association budget shall collect “Reserve Funds” in such amounts, categories and proportions as the Board and the Owners shall determine via the Association budget approval process.

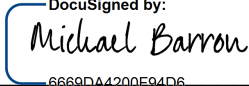
2. Purpose of the Reserve Funds. The purpose of the Reserve Funds shall be to responsibly fund and finance the projected repair and replacement of those portions of the community for which the Association is responsible.

3. Investment of Reserve Funds. The Board’s decisions with regard to management and investment of the Reserve Funds shall be made in a fiscally responsible manner so as to ensure safety and liquidity and to provide the best return within a reasonable level of risk. Professional investment advice may be sought. Investments shall be made to avoid inappropriate concentrations. The Board may hire one or more qualified investment counselors to assist in formulating investment strategies. The Board shall review the Association's investments periodically to ensure that the funds are appropriately managed and shall make prudent adjustments as needed.

CERTIFICATION

The foregoing Responsible Governance Policy #8, was duly adopted by the Board of Directors effective March 13, 2024, and after notice to and comment from the Owners.

The Plunge Condominiums Owners Association, Inc. a Colorado nonprofit corporation

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