

**Responsible Governance Policies and Rules and Regulations
of
Double Diamond Condominium Association, Inc.**

The following Responsible Governance Policies (individually a "Policy" and collectively the "Policies") are adopted by the Board of Directors of Double Diamond Condominium Association, Inc. (the "Association") 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. Collection of Unpaid Assessments (p. 2)
2. Handling of Conflicts of Interest Involving Board Members (p. 7)
3. Conduct of Meetings (p. 9)
4. Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines (p. 14)
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These Policies are in addition to the terms and provisions of the Declaration, Articles of Incorporation and Bylaws of the Association ("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.

CERTIFIED to be the Responsible Governance Policies and Rules of Regulations of Double Diamond Condominium Association, Inc. duly adopted by the Board of Directors.

Double Diamond Condominium Association, Inc.,
a Colorado nonprofit corporation

By: _____

Leslie Barnes, President

Dated: _____

12/9/21

**POLICY
OF
DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC.
REGARDING PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** October 1, 2025

RESOLUTION: The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment and any other balances due as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each month. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 10 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association or its managing agent shall post payments on the day that the payment is received in the Association's office.
3. Late Charges and Interest on Delinquent Installments. The Association or its managing agent shall impose on a monthly basis a \$25.00 late charge for each Owner who fails to timely pay any assessment within 10 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association or its managing agent shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay an installment of any assessment within 10 days of the due date.

4. Personal Obligation for Late Charges and Interest. The late charge and interest shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges and interest shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a return check fee, not to exceed \$20.00, 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 charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable 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 Declaration, Articles, Bylaws, Rules and Regulations or this Policy after the date adopted as shown above. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of any assessment is not timely made within 15 days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner. However, the cost charged to the Owner for any notice or other documentation sent to an Owner via certified mail is limited to the actual cost of the certified mail.

7. Repayment Plan. Any Owner who becomes delinquent in payment of assessments may enter into a repayment plan with the Association, which plan shall be for a minimum term of 18 months or such other longer term as may be approved by the Board of Directors.

Such repayment plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency for collection action. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00).

The Owner shall be deemed to be in default of the repayment plan and the repayment plan with the Association shall be null and void if within thirty (30) days after the Association or its managing agent has provided the Owner with a written offer to enter into a repayment plan, the Owner either declined the repayment plan; or after accepting the repayment plan, failed to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due.

If the Owner does not confirm written acceptance of the repayment plan within thirty (30) days after the Association or its managing agent has provided the Owner with a written offer to enter into a repayment plan, the offer shall be deemed to be declined.

In the event the Owner defaults or otherwise does not comply with the terms and conditions of the repayment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

An Owner who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner, within any limitations pursuant to Colorado law. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
9. Application of Payments. Once an account is referred to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. The Association may prohibit the Owner from accessing any online payment portal until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of

any assessments owed, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy.

10. Collection Process.

- (a) After an installment of an annual assessment or other charges due to the Association becomes more than 10 days delinquent, the Management Company shall send a written notice (“First Notice”) of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. This First Notice shall be sent by regular first-class mail.
- (b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Management Company shall send a second written notice (“Second Notice”) of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. The Association’s notice, at a minimum shall include the following:
 - (i) The total amount due to the Association along with an accounting of how the total amount was determined.
 - (ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
 - (iii) A name and contact information for an individual the Owner may contact to request a copy of the Owner’s ledger in order to verify the amount of the debt, which copy of the ledger must be provided to the Owner no later than seven business days after receipt of the Owner’s request.
 - (iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner’s delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner’s property, the sale of the Owner’s unit at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner’s equity in the unit or other remedies available under

Colorado Law including revoking the Owner's right to vote if permitted in the Bylaws or Declaration.

- (v) The availability of, and instructions on how to access, free online information through the HOA Information and Resource Center relating to the collection of assessments by an association, including the Association's ability to foreclose an association lien for unpaid assessments and force the sale of the 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.
 - (vi) Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that unpaid assessments may lead to foreclosure.
 - (vii) Include a description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's covenant violation cure process as laid out in the Association's Covenant and Rule Enforcement Policy.
 - (viii) Include a description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to Small Claims Court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association.
- (c) This Second Notice will be provided to the Owner or the Owner's designated contact in the following manners:
- (i) Certified Mail, return receipt requested; and
 - (ii) By two of the following manners:
 - i. Telephone call to a telephone number that the Association has on file because the Owner or the Owner's designated contact has provided the number to the Association. If the Association attempts to

contact the Owner or designated contact by telephone but is unable to contact the Owner or the Owner's designated contact, the Association shall, if possible, leave a voice message for the Owner or the Owner's designated contact; or

- ii. Text message to a cellular number that the Association has on file because the Owner or the Owner's designated contact has provided the cellular number to the Association; or
- iii. Email to an email address that the Association has on file because the Owner or the Owner's designated contact has provided the email address to the Association.
- iv. However, if the Owner or the Owner's designated contact has not provided a telephone number, cellular number, or email address to the Association, then this requirement of Section 10(c)(ii) shall be satisfied by sending this Second Notice via regular mail.

- (d) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Management Company shall turn the account over to the Association's attorney for collection.

Any collection account referred to an attorney for collections shall first be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken, pursuant to the Association's Conduct of Meetings Policy.

Upon receiving the delinquent account, legal counsel may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, legal counsel may file a lawsuit or further collection action. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney fees together with the cost of the action and any applicable interest and late fees.

In addition to the steps outlined above, even after the Owner has been sent to the attorney for collections, on a monthly basis, the Association shall send any Owner with an outstanding balance due an itemized list of all assessments, fines, fees, and charges that the

Owner owes the Association. A ledger going back to the last zero balance can satisfy this requirement.

This monthly notice shall be sent by first-class mail. The monthly notice shall also be sent by email if the Association has an email address for the Owner.

This monthly notice shall be sent in English unless the Owner has indicated a preference for notices to be sent in another language.

If the Owner has identified a designated contact, this notice shall be sent to both the Owner and a copy sent to the designated contact.

This notice may not contain additional legal fees and legal costs that have been incurred by the Association but have not yet been posted to the ledger. As such, the Owner is required to communicate with the collection attorney to obtain the most up to date balance.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.
12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of installments of the annual assessment and other charges.

Due Date (date payment due)	1st day of the month due
Past Due Date (date payment is late if not received on or before that date)	One day after due date
First Notice (notice that late charges and interest have accrued)	Any time after 10 days after due date
Second Notice (notice that late charges and interest	Any time after 60 days after due date

have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 90 days after due date

The attorney may consult with the Association or its managing agent as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association or its managing agent shall furnish to an Owner or such Owner's designee upon the Owner's or designee's written request to the Association, made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the amount of unpaid assessments currently levied against such Owner's property at no charge and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage provides additional information beyond a statement of the total amount due and as such any charges incurred by the Association for providing a status letter shall be charged back to the Owner.

14. 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, Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
15. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is

settled, has a zero balance or is written off. The attorney, in consultation with Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, 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, upon approval by the Association's Board of Directors;
- (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.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

- 16. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who 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 property.
- 17. Judicial Foreclosure. The Association may choose to foreclose on its lien in addition to attempting to sue an Owner for a money judgment, subject to the provisions of Colorado law. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

The Association may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association.

The Association may not foreclose on an Owner's Unit if the debt securing the lien consists only of one or both of the following:

- (a) Fines that the Association has assessed against the Owner as a result of covenant violations; or
- (b) Collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines as a result of covenant violations.

If a Unit has been foreclosed on by the Association, the Unit shall not be purchased by any of the following categories of persons or companies, who are currently or have been at any time during the 5 years prior to the foreclosure sale:

- (i) a member of the Board of Directors;
- (ii) an employee of the Association's management company representing the Association;
- (iii) an employee of the law firm representing the Association;
- (iv) an immediate family member of any of the foregoing individuals; or
- (v) the Association's management company.

- 18. 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 the Association shall determine appropriate under the circumstances.
- 19. Communication with Owners. As to any communication sent by the Association or the Management company on behalf of the Association pursuant to Paragraph 10 of this Policy, the Association or management company on its behalf, shall maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

An Owner may identify another person to serve as a designated contact for the Owner to be contacted on the Owner's behalf. If the Owner identifies a designated contact, the Association or its managing agent shall send any collection correspondence and notices to both the Owner and their designated contact. However, once an Owner is sent to the attorney for collections, all communication will be directly with the Owner until or unless the Owner provides permission directly to the Association's attorney giving permission for the attorney to discuss with the designated contact.

An Owner may notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association or its managing agent shall send the correspondence and notices in English. If

the Owner has notified the Association of a preference other than English, any notices or letters sent pursuant to this Policy shall be sent both in English and in the preferred language.

If an Owner has identified both a designated contact and a preference for a different language, the Association or its managing agent shall send the Owner the correspondence or notice in the preferred language and in English and the designated contact the correspondence or notice in English.

All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

20. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
21. Defenses. Failure of the Association or its managing agent to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
22. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
23. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
24. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
25. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Double Diamond Condominium Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on Dec 2, 2025 and in witness thereof, the undersigned has subscribed their name.

**Double Diamond Condominium Association,
Inc., a Colorado nonprofit corporation**

By:
Its:


President

**POLICY
OF
DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC.
REGARDING REGISTRATION OF
PHONE NUMBER AND EMAIL ADDRESS**

SUBJECT: Registration of phone number and email address pursuant to Colorado law.

PURPOSE: To provide a policy and procedure by which owners and their designated contacts, if applicable, are requested to register their phone number and email addresses for notification purposes pursuant to C.R.S. §38-33.3-209.5 of the Colorado Common Interest Ownership Act (the "Act")

AUTHORITY: The Declaration, Bylaws, Articles, and the Act.

DATE: Dec 2, 2025

RESOLUTION: The Association gives notice of its adoption of the following Policy and Procedure ("Policy") pursuant to which Owners and their designated contacts, if applicable, are requested to register their phone number and email address with the Association for notification purposes pursuant to the Act. The Policy is as follows:

1. Definitions. Unless otherwise defined below, capitalized terms shall have the meanings set forth in the Act and/or Declaration as applicable.
 - (a) "Owner" shall have the same meaning as in the Declaration.
 - (b) "Designated Contact" means a person that an Owner identifies to the Association to serve as a designated contact for the Owner to be contacted on the Owner's behalf for purposes of compliance with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.
 - (c) "E-Mail Address" means an electronic mail address.
 - (d) "Cellular Number" means a mobile number or cell phone number assigned to a mobile device that enables communication through cellular networks, including the ability to send and receive Text Messages.

(e) "Text Message" means a written message sent from one cellular phone to another.

2. Compliance with the Act. As part of its procedures for collecting unpaid assessments, the Act requires the Association to contact the delinquent Owner or their Designated Contact, by two of the following means:

- (a) Telephone call to a telephone number that the Association has on file because the Owner or Designated Contact provided that number to the Association;
- (b) Text Message to a Cellular Number that the Association has on file because the Owner or Designated Contact has provided the cellular number to the Association;
- (c) E-Mail to an E-Mail Address that the Association has on file because the Owner or Designated Contact has provided the e-mail address to the Association.

The Act further provides that if the Owner or Designated Contact has not provided a telephone number, cellular number, or email address, the Association may satisfy this contact requirement via regular mail.

3. Registration of Phone and Email Address. Each Owner and their Designated Contact, if applicable, are requested to register their Cellular Number, telephone number (if different from Cellular Number), and E-Mail Address with the Association using any reasonable registration method adopted by the Association. The Association shall periodically request this information from each Owner and their Designated Contact, if applicable, and shall maintain it in the Association's records.

All contacts intended to be made by the Association to comply with C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act, will be made using the registered Cellular Number, telephone number, and E-Mail Address provided by the Owner or their Designated Contact.

If the Association attempts to contact the Owner or their Designated Contact by telephone but is unable to do so, the Association shall, if possible, leave a voice message for the Owner or Designated Contact.

4. Update of Contact Information. It is the responsibility of the Owner and their Designated Contact, if applicable, to keep their Cellular Number,

telephone number, and E-Mail Address current with the Association using the registration method adopted by the Association.

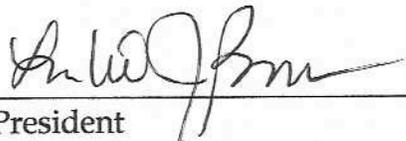
Further, should the Association receive a response indicating an invalid number, blocked recipient, disconnected phone, etc., the Association shall not be required to seek any new valid information from the Owner or their Designated Contact. In such case, the Owner acknowledges that the Association is unable to provide the notice required pursuant to C.R.S. §38-33.3-209.5 (1.7(a)(I)) of the Act.

5. Request for Contact Information Before Initiating Foreclosure. If required by Colorado law and if the Association does not already have the information, prior to sending a notice of intent to foreclose on a property, the Association shall request from the Owner or the Owner's Designated Contact, a telephone number for phone calls, a cellular number for texts, and an email address for emails.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Double Diamond Condominium Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on Dec 2, 2025 and in witness thereof, the undersigned has subscribed their name.

**Double Diamond Condominium Association,
Inc., a Colorado nonprofit corporation**

By: 
Its: 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 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, 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 of Directors or the committee, and the Board of Directors or 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.

c. Review. The Board shall review the Association's conflict of interest policies at least every three (3) years.

**RESPONSIBLE GOVERNANCE POLICY
OF DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC.
PROCEDURES FOR THE CONDUCT OF MEETINGS**

**THIS POLICY SHALL REPLACE IN ITS ENTIRETY THE CONDUCT OF MEETING
POLICY SET FORTH IN PARAGRAPH 3 OF THE RESPONSIBLE GOVERNANCE
POLCIES AND RULES AND REGULATINOS OF DOUBLE DIAMOND
CONDOMINIUM ASSOCIATION, INC., DATED DECEMBER 9, 2021**

EFFECTIVE

DATE: August 9, 2022

RESOLUTION: The Association hereby adopts the following procedures regarding the conduct of meetings:

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.
 - (a) **Notice.**
 - (1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted conspicuous place at least 1 day prior to each such meeting, or as may otherwise be required by Colorado law.
 - (2) The Association shall also post notice on its website of all Owner meetings. Such notice shall be posted 10 days prior to such meeting.
 - (3) If any Owner has requested the Association provide notice via email and has provided the Association with an email address, the Association shall send notice for all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.
 - (b) **Conduct.**
 - (1) All Owner meetings shall be governed by the following rules of conduct and order:

- (A) The president of the Association or designee shall chair all Owner meetings.
- (B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies, and receive ballots as appropriate. (See section below regarding voting).
- (C) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
- (D) Anyone wishing to speak must first be recognized by the chair.
- (E) Only one person may speak at a time.
- (F) Each person who speaks shall first state his or her name and address.
- (G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
- (H) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
- (J) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the chair, but shall be uniform for all persons addressing the meeting.
- (K) All actions and/or decisions will require a first and second motion.

- (L) Once a vote has been taken, there will be no further discussion regarding that topic.
- (M) So as to allow for and encourage full discussion by Owners, no meeting may be audio, video, or otherwise recorded. Minutes of actions taken shall be kept by the Association.
- (N) 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.
- (O) The chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting.** All votes taken at Owner meetings shall be taken as follows:

- (1) Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the secretary of the Association or the secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.
- (2) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice, or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the community shall be by secret ballot at the discretion of the Board or upon the request of 20% of the Owners who are present at the meeting or represented by proxy.
- (3) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee

of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the chair or another person presiding during that portion of the meeting.

- (4) The individual(s) counting the ballots shall report the results of the vote to the chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(d) Proxies. Proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

- (1) All proxies shall be reviewed by the Association's secretary or designee as to the following:
 - (A) Validity of the signature;
 - (B) Signatory's authority to sign for the unit Owner;
 - (C) Authority of the unit Owner to vote;
 - (D) Conflicting proxies; and
 - (E) Expiration of the proxy.

2. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

(a) Conduct.

- (1) All Board meetings shall be governed by the following rules of conduct and order:
 - (A) The president of the Association, or designee, shall chair all Board meetings;
 - (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address;

- (C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in;
- (D) Anyone desiring to speak shall first be recognized by the chair;
- (E) Only one person may speak at a time;
- (F) Each person speaking shall first state his or her name and address;
- (G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for him/her;
- (H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed;
- (I) Comments are to be offered in a civilized manner and without profanity, personal attacks, or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand;
- (J) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the chair but shall be uniform for all persons addressing the meeting;
- (K) No meeting of the Board may be audio, video, or otherwise recorded except by the Board to aid in the preparation of minutes; and

- (L) Anyone disrupting the meeting, as determined by the chair, shall be asked to “come to order.” Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) Owner Input.

After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the directors, Owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion as follows:

- (1) The chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.
- (2) Following Owner input, the chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

(c) Action Without a Meeting.

- (1) Notice of Action Without a Meeting. Notice of the proposed action must be transmitted in writing to each director. The notice must contain the following information:
 - (A) The action to be taken;
 - (B) The deadline (date and time) by which a director must respond to the written notice; and
 - (C) That failure by a director to respond by the deadline stated in the notice will have the same effect as abstaining in writing or failing to demand in writing that the action be taken at a meeting.

- (2) Voting. By the deadline stated in the written notice, each director may:
 - (A) Vote in writing for such action;
 - (B) Vote in writing against such action;
 - (C) Fail to respond or vote; or
 - (D) Demand in writing that the action be taken at a meeting. If any director demands, by the deadline date, that action be taken at a meeting, action without a meeting is no longer available. The Board must then hold a Board meeting to take action on such matter.
- (3) Effective Date of Action. Once the deadline stated on the notice has expired, and assuming no director demands that action be taken at a meeting, the action is deemed effective if the number of votes received in favor of the action are equal to or exceed the number of votes that would be required to pass the action if all the directors then in office were voting.
- (4) Electronic Communications/ Authenticity of Signatures. All written communications of directors pursuant to this section may be transmitted or received by facsimile, e-mail, or other form of wireless communication. The Association may accept any electronic vote received as valid unless it has a reasonable, good faith basis to doubt its validity.
- (5) Minutes/Ratification. If action is taken pursuant to the above procedures, such action(s) shall be noted in the minutes of the next meeting of the Board and ratified at that time.

(d) Executive Sessions.

- (1) The members of the Board may hold a closed door, executive session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting for discussion of the following:
 - (A) Matters pertaining to employees of the Association or the manager's contract or involving the employment, 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) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy, including a disciplinary hearing regarding a Unit Owner and any referral of delinquency;
- (E) Review of or discussion relating to any written or oral communication from legal counsel;
- (F) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure.

- (2) Prior to holding a closed-door session, the president of the Board, or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above;
- (3) No rule or regulation or amendment to the Bylaws or the Articles of Incorporation shall be adopted during a closed session. The foregoing documents may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following a closed session; and
- (4) 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. Minutes of executive sessions may be kept but are not subject to disclosure pursuant to the Association's policy regarding inspection of records.

3. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
5. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
6. Amendment. This Policy may be amended at any time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Double Diamond Condominium Association, Inc. certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on Aug 2, 2022 and in witness thereof, the undersigned has subscribed their name.

**Double Diamond Condominium Association,
Inc., a Colorado nonprofit corporation**

By: 

Its: President

**RESPONSIBLE GOVERNANCE POLICY
OF DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC.
PROCEDURES FOR THE ENFORCEMENT OF COVENANTS**

**THIS POLICY SHALL REPLACE IN ITS ENTIRETY THE ENFORCEMENT of
COVENANTS and RULES, INCLUDING NOTICE AND HEARING PROCEDURES
AND THE SCHEDULE OF FINRES POLICY SET FORTH IN PARAGRAPH 4 OF
THE RESPONSIBLE GOVERNANCE POLICIES AND RULES AND REGULATINOS
OF DOUBLE DIAMOND CONDOMINIUM ASSOCIATION, INC., DATED
DECEMBER 9, 2021**

EFFECTIVE

DATE: August 9, 2022

RESOLUTION: The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. Complaints. Complaints by Owners or residents, member of the Board of Directors, a committee member, or the manager shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.
3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole

discretion in appointing an individual or committee to investigate the matter.

4. Violation Which Threatens Public Safety or Health. With respect to any violation of the Declaration, Bylaws, Covenants, or other Governing Documents of an Association that the Board of Directors reasonably determines threatens the public safety or health, the Association shall provide the Unit Owner an initial letter (see Paragraph 7 below) of the violation informing the Unit Owner that the Unit Owner has seventy-two (72) hours to cure the violation or the Association may fine the Unit Owner.
 - a. If, after an inspection of the Unit, the Association determines that the Unit Owner has not cured the violation within seventy-two (72) hours after receiving the notice, the Association may impose fines on the Unit Owner every other day, not to exceed five hundred dollars (\$500.00), and may take legal action against the Unit Owner for the violation.
 - b. Violation Cured by Unit Owner. Once the Association determines that a Unit Owner has cured a violation, the Association shall notify the Unit Owner, in English and in any other language that the Unit Owner has indicated a preference for correspondence and notices pursuant to C.R.S. 38-33.3-209.5 (1.7)(a)(I).
 - i. That the Unit Owner will not be further fined with regard to the violation; and
 - ii. Of any outstanding fine balance that the Unit Owner still owes the Association.
5. Violation Which Does Not Threaten Public Safety or Health. If an Association reasonably determines that there is a violation of the Declaration, Bylaws, Covenants, or other Governing Documents of the Association, other than a violation that threatens the public safety or health, the Association shall, provide an initial letter (see Paragraph 7 below) regarding the violation and informing the Unit Owner that the Unit Owner has thirty (30) days to cure the violation. Upon expiration of the initial thirty (30) days, the Association, after conducting an inspection and determining that

the Unit Owner has not cured the violation, may fine the Unit Owner.

- a. Process to Cure Violation. If a Unit Owner cures the violation within the cure period afforded the Unit Owner, the Unit Owner may notify the Association of the cure and, the Unit Owner sends notice to the Association with visual evidence that the violation has been cured, the violation is deemed cured on the date that the Unit Owner sends the notice. If the Unit 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.
- b. Violation Cured by Unit Owner. Once the Association determines that a Unit Owner has cured a violation, the Association shall notify the Unit Owner, in English and in any other language that the Unit Owner has indicated a preference for:
 - i. That the Unit Owner will not be further fined with regard to the violation; and
 - ii. Of any outstanding fine balance that the Unit Owner still owes the Association.
- c. Failure to Cure Violation by Unit Owner. If the Association does not receive notice from the Unit Owner that the violation has been cured, the Association shall inspect the unit within seven (7) days after the expiration of the initial thirty (30) day cure period to determine if the violation has been cured. If, after the inspection, the Association determines that the violation has not been cured, the Association may impose a fine pursuant to Paragraph 9 below. A second letter pursuant to Paragraph 8 shall provide an additional thirty (30) day period to cure.
- d. The Association may take legal action pursuant to this section if the two (2) thirty (30) day periods described above have elapsed and the violation remains uncured.

6. Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Unit Owner. The letter must be sent via certified mail, return receipt requested, and regular US mail, if not concerning a public safety or health threat. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Unit Owner has indicated a preference for correspondence.
7. Initial Letter for a Violation. If the violation has not been cured following the warning letter set forth above, an initial letter shall be sent to the Unit Owner. The letter must be sent via certified mail, return receipt requested if not a public safety or health threat. The letter must explain the nature of the violation, and the action or actions required to cure the alleged violation. The written notice shall be in English and in any language that the Unit Owner has indicated a preference for correspondence. The letter shall provide a Fine Notice as set forth in Paragraph 9.
8. Second Letter. If the alleged violation is not resolved within thirty (30) days of the initial letter, this will be considered a second violation for which a fine or legal action may be imposed following notice and opportunity for a hearing. The Association shall send a second letter to the Unit Owner, which second letter shall include a Fine Notice as set forth in Paragraph 9.
9. Fine Notice. The letter(s) shall further state that the Unit Owner is entitled to a hearing on the merits of the matter in front of an impartial decision maker provided that such hearing is requested in writing within ten (10) days of the date on the initial or second letter pursuant to Paragraph 7 and Paragraph 8. On a violation that is a Safety/Health violation since the letter only provides seventy-two (72) hours to cure, any request for a hearing occurring after the seventy-two (72) hours shall address such fines before they become applicable.
10. Notice of Hearing. If a hearing is requested by the Unit Owner, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least not less than 10 days prior to the hearing date.

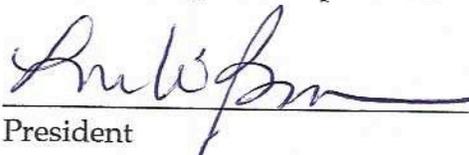
11. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an “Impartial Decision Maker.” An Impartial Decision Maker is defined under Colorado law as “a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the Association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association.” Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.
12. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Neither the Complainant nor the Unit Owner or alleged Violator are required to attend the hearing. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Hearings will be held in executive session pursuant to C.R.S. 38-33.3-308(4)(e). The Impartial Decision Maker shall, within a reasonable time, not to exceed 15 days, render its written findings and decision, and impose a fine, if applicable.
13. Failure to Timely Request Hearing. If the Unit Owner fails to request a hearing pursuant to Paragraph 9, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the Unit Owner may be assessed a fine pursuant to these policies and procedures.
14. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Unit Owner within 10 days of the hearing, or if no hearing is requested, within 10 days of the final decision.

18. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.
19. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
20. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
21. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Double Diamond Condominium Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on Aug 2, 2022 and in witness thereof, the undersigned has subscribed their name.

**Double Diamond Condominium Association,
Inc., a Colorado nonprofit corporation**

By: 
Its: President

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

1. Records Maintained. The Association shall maintain the following records as required by Colorado law:
 - a. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
 - b. Records of claims for construction defects and amounts received pursuant to settlement of those claims;
 - c. Minutes of all meetings of the Owners and the Board, a record of all actions taken by the Owners or the Board without a meeting, and a record of all actions taken by any committee of the Board;
 - d. Written communications among, and the votes cast by, Board members that are:
 - (i) directly related to an action taken by the Board without a meeting pursuant to C.R.S. sec.7-128-202; or
 - (ii) directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
 - e. The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
 - f. The current Association Governing Documents;
 - g. Financial statements as described in C.R.S. sec. 7-136-106 for the past three years and tax returns of the Association for the past seven years, to the extent available;
 - h. A list of the names, electronic mail addresses, and physical mailing addresses of the current Board members and officers;
 - i. The most recent annual report delivered to the secretary of state;
 - j. Financial records sufficiently detailed to enable the Association to comply with C.R.S. sec. 38-33.3-316(8) concerning statements of unpaid assessments;
 - k. The Association's most recent reserve study, if any;
 - l. Current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years.
 - m. Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;

- n. Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate;
- o. Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners; and
- p. All written communications within the past three years to all Owners generally as Owners.

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 released upon the written consent of the legal owner of the drawings, plans, or designs;
 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 E-mail 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. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, which have been determined to be \$30.00 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.

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. Nothing contained in the Policy shall be construed to require the Association to create records that do not exist, compile records or information in a particular format or order, or synthesize information.

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

1. Adoption. These Responsible Governance Policies were adopted by a majority vote of the Board at a duly convened and noticed Board meeting, or by unanimous consent of the Board, and after Notice and Comment from the Owners.

2. Amendments. These Responsible Governance Policies may be amended by a majority vote of the Board at a duly convened and noticed Board meeting, or by unanimous consent of 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 by U.S. mail, personally or via E-mail (provided the Owner has supplied an E-mail address) not less than three (3) nor more than fifty (50) days before date of the Board meeting at which the proposed action is to be taken, or the date upon which the Board will approve the matter by unanimous consent. It shall invite comment to the Board orally or in writing before the scheduled time of the Board meeting or the date the Board approves the matter by unanimous consent.

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

1. Disputes Other Than Enforcement of Covenants. This Policy concerns disputes between the Association and one or more Owners other than issues concerning violations of the covenants and/or rules of the Association by an Owner. The Policy regarding disputes between the Association and one or more Owners concerning violations of the covenants and/or rules of the Association by an Owner is Responsible Governance Policy #4, above, entitled “Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines.

2. Notice of Dispute. In the event of a dispute between the Association and one or more Owners other than issues concerning violations of the covenants and/or rules of the Association by an Owner, the aggrieved party (i.e. the Association or the Owner(s)) shall issue written notice (the “Notice of Dispute”), via U.S. mail, certified, return receipt requested, with a copy via E-mail (provided the Owner has supplied an E-mail address). Notices to the Association shall be issued to the Board and to the Association Manager. The written notice shall describe the nature of the dispute in detail, and the requested relief.

3. Board Meeting. Within not less than fifteen (15) nor more than fifty-five (55) days of the date the Notice of Dispute was issued, the Board shall notice and arrange a Board meeting (noticed to all Owners pursuant to standard Board meeting procedures). The notice of meeting shall generally describe the purpose of the meeting and the dispute. The Owner(s) involved in the dispute shall have the right to appear at the Board meeting, with counsel if the Owner(s) so elect.

4. Procedure. At the hearing, the affected Owner shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to 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 any decision concerning the outcome of the dispute. The affected Owner(s) shall be notified of the Board decision at the meeting, or if the Board wishes to consider the matter further, in the same manner in which notice of the meeting was given.

5. Action. If the dispute is not resolved at the Board meeting, or if the Owner fails to appear at the meeting and/or cooperate in the dispute resolution process, the Board may authorize legal action against the Owner for injunctive and other appropriate relief. Likewise, if the dispute is not resolved at the Board meeting, the Owner may take legal action against the Association for injunctive and other appropriate relief. The substantially prevailing party to any such dispute shall be awarded reasonable attorneys fees, costs and expert costs incurred, including any other appropriate relief as determined by the Court.

6. Conflicts. Any Board member 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.

7. Fair Hearing. The Association will proceed with legal action unless the Owner is allowed to participate in a fair and impartial factfinding process concerning whether the action should proceed, including whether or not the dispute actually exists and whether the Owner should be made a party defendant. This process shall guarantee the Owner notice and an opportunity to be heard before an impartial decision maker. An impartial decision maker means the Association Board, excluding any conflicted Directors, who shall make a decision regarding proceeding in this matter. If, as a result of this factfinding process, it is determined that the Owner should not be held responsible for the alleged dispute, the Association shall not allocate to the Owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or hearing the claim, other than the Owner's general share of expenses as a member of the Association.

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 shall have one or more professional reserve studies performed for the portions of the community maintained, repaired, replaced, and improved by the Association. The Association reserve studies shall be updated by professionals qualified to assist the Association with such matters at least every three (3) years. The reserve study shall be based on a physical analysis and a financial analysis. The Association shall implement 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 regards 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.

Responsible Governance Policy #9 Policy Concerning Property Damage

In the event of an incident causing property damage to the Association:

1. The Association shall take immediate action to stop any further damage, whatever the incident.
2. The Association shall hire service providers or use staff to stabilize and protect the affected Units and Common Elements from weather, vandals, pests and other hazards.
3. The Association shall promptly notify the insurance carrier, the Board and the affected Unit Owners. The Association shall arrange to meet with the carrier adjuster. The Association shall inform the Unit Owner what repairs the Association is responsible to perform and shall provide the Unit Owner detailed and regular written status reports concerning the situation and its resolution.
4. The Association shall document the incident scene with statements, pictures, reports from, police, fire, building officials, engineers, contractors and witnesses. The Association shall monitor the incident scene periodically to determine whether or not additional damage has materialized.
5. The Association shall notify the Unit Owner that the Association will manage the reconstruction of portions of the community required to be reconstructed by the Association.
6. The Association shall retain service providers, contractors, engineers and other required professionals to perform the necessary work restore the property. The Association shall if possible obtain three (3) competitive bids for all work. The Association shall work with local building officials to expedite permitting for all repairs.
7. The Association is the insured for work required to be performed by the Association, and as such is responsible for assuring the work is completed in a satisfactory manner. Insurance payments shall be made to the Association to reimburse the Association for repair expenses incurred.
8. The Association shall provide oversight of the restoration work through staff or an independent project manager that reports directly to the Association Board.