

RIVER RIM HOMEOWNERS ASSOCIATION, INC.

P. O. BOX 2776 - (970) 349-2773 - CRESTED BUTTE, COLORADO 81224
WWW.RIVERRIM.ORG

THE RIVER RIM HOMEOWNERS ASSOCIATION, INC. (RIVER RIM) BOARD OF DIRECTORS HEREBY ADOPTS THE FOLLOWING "RIVER RIM HOMEOWNERS ASSOCIATION, INC. RULES AND REGULATIONS".

DELINQUENT DUES COLLECTION POLICY

Invoices will be mailed on January 1 of each year. Assessments not received by April 1 will receive a new statement with interest of 1½% per month added. Interest will continue to accrue and quarterly statements will be mailed until the assessment and interest are paid. If payment is not made by September 1, the owner will be notified of the Board's intention to place a lien on the property, plus interest due, plus an additional \$25 penalty.

If dues remain unpaid on January 1, the River Rim Board will place a lien on the property and consider foreclosing on the property to recover the owed assessment, interest and penalties.

Any owners who experience financial difficulties and would like to request a special payment schedule are invited to contact the Board, in writing, for this consideration. Each case would be considered on its merits.

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HANDLING OF CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS

Board members with a conflict of interest will not participate in the discussion or voting of that specific topic. If necessary, the Board member will be asked to leave the room so that the Board may freely discuss the issue and the Board member will return after the vote has been taken.

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CONDUCT OF MEETINGS, WHICH MAY REFER TO APPLICABLE PROVISIONS OF THE NONPROFIT CODE OR OTHER RECOGNIZED RULES AND PRINCIPLES

Meetings are conducted in accordance with rules of order and with the Covenants and Bylaws of the Association and the Colorado Common Interest Ownership Act. The Association's attorney will be consulted with regard to protocol and points of law.

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HOMEOWNER'S ASSOCIATION

**ENFORCEMENT OF COVENANTS AND RULES, INCLUDING NOTICE
AND HEARING PROCEDURES AND THE SCHEDULE OF FINES**

When the Board of Directors becomes aware of, or is advised of, a violation of Covenants or Rules, a Board member meets or telephones the owner and advises them of the violation and gives that owner 10 days to rectify the violation. If the violation is not rectified within 10 days, a letter is mailed to that owner detailing the violation and giving the owner 30 days to rectify the violation or to attend a meeting with the Board to explain why the violation cannot be immediately corrected. If no response is received within 30 days, a second letter is sent to the owner advising the owner that a fine has been imposed as of the date of the letter and will continue to accrue for the entire period that the owner remains in violation. The Board will pursue, at its discretion, all legal remedies available to it to ensure that the owner takes action to fully comply with the covenants and pay the appropriate fines. The owner is also given a further opportunity to attend a meeting and explain why the violation cannot be rectified.

SCHEDULE OF FINES:

Violations

At the Board's Discretion

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INSPECTION AND COPYING OF ASSOCIATION RECORDS BY OWNERS

Owners may request copies of any Association documents which are either mailed or the owner may collect or view the documents at 42 Stream View Lane, Meridian Lake Meadows, Crested Butte, CO 81224. Copying and mailing is generally at the expense of the Association, but the Association reserves the right to request payment by an owner for copying and/or mailing a large volume of material. Association documents are also available at www.riverrim.org

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INVESTMENT OF RESERVE FUNDS

Reserve funds are held in an interest bearing account and a Certificate of Deposit at Community First Bank, Crested Butte. Funds from the reserve fund are used for non-budgeted expenses which are considered a benefit to the owners.

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**PROCEDURES FOR THE ADOPTION AND AMENDMENT
OF POLICIES, PROCEDURES AND RULES**

The Board of Directors meets at least twice per year for Board Meetings to review Budgets and appoint Officers. The River Rim Manager arranges additional meetings as required. Following initial discussion by e-mail, a Board member will present their amendment or proposal and following a full discussion, the Board member would be asked to draft the amendment or proposal and circulate it to the Board for further review and comment. Once the wording of the amendment or proposal has been finalized a vote of the Board of Directors would be taken and if the amendment received the support of a majority of the Board the amendment would be communicated to owners at the Annual Meeting.

For further clarification of these Policies, contact any Board member.

Approved February 23, 2006

BOARD OF DIRECTORS

RIVER RIM HOMEOWNERS ASSOCIATION, INC.

* Note: These policy statements shall be taken in the same context as "Rules and Regulations" as defined and permitted by the Colorado Common Interest Ownership Act.