

**GOVERNANCE POLICIES FOR
RIVERSIDE PLACE OWNERS' ASSOCIATION
(Adopted August 17, 2008)**

These Policies are not designed to replace existing policies and/or rules except to the extent that they are in conflict, in which case these rules shall govern.

Policy No. 1: Collection of Unpaid Assessments

All Owners are obligated to pay Common Expense Assessments as established by the Board as follows:

- A. Due Date. Regular Annual Assessments shall be due and payable on November first of each year.
- B. Notice/Invoice. The Association shall send a notice to each Owner of the Regular Annual Assessments at least 30 days before the due date.
- C. Delinquent Assessments. Any Assessment is deemed delinquent if not paid within ten days of the due date, and the Owner shall be obligated to pay a late fee of \$50.
- D. Interest. Any delinquent Assessment shall bear interest from and after the due date at the rate of 18% per annum.
- E. Collection. When an Assessment is more than 30 days past due, the Board shall send a reminder notice to the delinquent Owner. When an Assessment is more than 90 days delinquent, the account may be referred to the Association's attorney for collection, but only after the Board has reviewed the matter in a regular or special meeting and has made an affirmative decision to refer the matter. No lawsuit shall be commenced by the Association against an Owner for collection unless the Board has, at a regular or special meeting, made an affirmative decision to do so. The Board may forbear on strict enforcement of the collection policy for a limited amount of time in cases of hardship or other extenuating circumstances. The delinquent Owner will be liable for all collection costs, including attorney's fees, with or without suit.
- F. Application of Payments. Partial payment of amounts due the Association from an Owner shall first be attributed to current assessments, and any balance paid applied to fines, late charges, and interest.

Policy No. 2: Handling of Conflicts of Interest Involving Board Members

- A. A conflict of interest arises when the duties owed by a member of the Board of Managers to the Association conflict with that member's own obligations or interests, or those of that member's family.
- B. In the event a member of the Board perceives a conflict of interest, he or she shall bring the matter promptly to the attention of the Board, and the conflict shall be noted in the minutes of the meeting. If the matter before the Board would result in a financial gain or loss to the member or his or her family, or if a non-financial conflict will render the member unable to make a fair and impartial decision on the matter, that member shall so state in the record of the meeting and shall abstain from voting on the matter. That member may, however, address the Board on the matter in the same manner as any other Owner.

Policy No. 3: Conduct of Meetings

- A. Rules of Order. Meetings will be conducted in accordance with the bylaws of the Association and the most recent edition of Robert's Rules of Order.
- B. Secret Ballots. Voting for contested positions on the Board shall be taken by secret ballot. If the Board so directs, or if 20% of the owners present at the meeting in person or by proxy so request, the voting on any other matter must be by secret ballot. In the event of a secret ballot, the results must be reported without reference to the names or other identifying information of the owners participating in the vote. Secret ballots shall be counted by a neutral party appointed by the president in open meeting prior to the vote.
- C. Board Meetings. All meetings of the Board shall be open to all Owners, and all votes shall be conducted during an open meeting. Board meetings may be conducted by conference call, in which case the Board shall arrange means for Owners to listen and be heard. The Board may conduct an executive session and restrict attendance to Board members and any others designated by the Board to:
 - a. Consult 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.
 - b. Discuss matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association.
 - c. Investigative proceedings concerning possible or actual criminal misconduct.
 - d. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
 - e. Review of or discussion relating to any written or oral communication from legal counsel.

Policy No. 4: Enforcement of Covenants, Notice and Hearing Procedures, Schedule of Fines

- A. Complaints. The Board will review all written reports of violations of covenants and rules received from Owners.
- B. Notification of Owners. Before taking any action against an Owner for violation of the covenants or rules, a copy of the complaint will be provided to the Owner, who will be given a reasonable opportunity to reply to the Board. Before taking any action against an Owner, the Board shall give the Owner an opportunity for a hearing at a regular or special meeting of the Board and shall give the Owner reasonable opportunity to remedy the violation.
- C. Fines. If an Owner does not cure the violation, the Board may levy a fine of up to \$50 per day as long as the violation continues, and any such fine shall constitute an assessment against the Owner's property. In addition, the Board may take any other action authorized by law or by the covenants.
- D. Collection Provisions. All fines, costs, and attorney fees incurred by the Association to enforce its covenants and rules shall be a Common Expense Assessment against the Owner's property and subject to all lien and collection powers of the Association.

Policy No. 5: Association Records

- A. Secretary to Maintain. The Association's secretary shall maintain all required records in written form or in a form convertible to writing in a reasonable time.
- B. Inspection and Copying of Association Records. Upon reasonable advance notice to the secretary of the Association, every Owner shall have the right to inspect and copy, at the Owner's expense, any records required to be maintained by the Association.

Policy No. 6: Investment of Reserve Funds

- A. General. Any reserve fund maintained by the Association shall be invested in an account in an insured account in a nationally chartered banking institution selected by the Board.
- B. Investment Objectives.
 - a. Safety of Principal: The long-term goal is safety of the reserve funds and to promote and ensure the preservation of the reserve fund's principal.
 - b. Liquidity: Funds shall be sufficiently liquid to meet anticipated or unanticipated expenditures. Liquidity can be achieved by structuring maturities to ensure the availability of assets when needed.
 - c. Minimal Costs: Investment costs should be minimized.
 - d. Return: Funds should be invested to seek the highest level of return consistent with the preservation of principal.

Policy No. 7: Procedure for Adoption and Amendment of Policies, Procedures, and Rules

- A. Board of Managers Determination. The Board may adopt or amend rules, policies, and procedures as it deems necessary, desirable or appropriate with respect to the interpretation and implementation of the governing documents of the Association, the operation of the Association, and the use of common areas.
- B. Adoption of Rule. Rules, policies, and procedures shall be effective only upon adoption at a regular or special meeting of the Board. The notice of regular meetings shall be given to all Owners at least 15 days before the meeting, and notice of special meetings shall be given to all Owners at least 3 days before the meeting. Any Owner may comment on a proposal at the meeting or in a writing delivered to the secretary of the Association prior to the meeting. Upon the adoption or amendment of any rule, policy or procedure, the Board shall provide notice to the Owners prior to the effective date.
- C. Secretary to Maintain a Copy of Rules. The secretary of the Association shall maintain a current copy of all rules, policies, and procedures, and a copy thereof shall be made reasonably available to every Owner.

Policy No. 8: Procedure for Addressing Disputes Arising Between the Association and Owners

- A. In the event of any unresolved dispute between the Association and one or more Owners (other than nonpayment of Assessments), or between two or more Owners, the disputing parties shall first submit the matter to mediation, which will be a condition precedent to commencing any litigation.
- B. Any party wanting to commence the mediation process shall give written notice to the other describing the nature of the dispute.
- C. The parties shall promptly appoint a mutually-acceptable mediator and will share equally in the cost of such mediation. If the dispute is between Owners, the Board shall serve as the mediator, in which case the President of the Association may appoint one or more members of the Board to serve.
- D. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within 60 calendar days of the date written notice requesting mediation is sent by one party to the other.

Policy No. 9: Notice to Owners

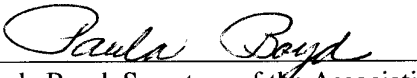
- A. The Owner or Owners of each Lot shall provide the secretary of the Association with a single mailing address for notice purposes. If there are multiple owners of any single Lot, notice to the party listed with the secretary shall constitute notice to all the owners thereof. Any Owner may also provide an e-mail address to the Association and notice of Association meetings shall also be sent electronically to that e-mail address as a courtesy.
- B. For notices, association billings, and other communications from the Association to Owners that are not required by law to be mailed, notice and communication by e-mail shall be sufficient. If an Owner does not have e-mail or notifies the Association that it does not want e-mail communications or if an e-mail is returned to the Association as undelivered, then The Association shall send those notices and communications by regular mail.
- C. The secretary of the Association shall maintain a current list of owners and their addresses, which shall be available to each Owner upon request to the secretary.
- D. If any Owner's address is inaccurate or notice is undeliverable as addressed, notice may be given by regular first class mail to the Owner at the address shown in the Summit County Assessor's office.
- E. In lieu of including bulky documents in a mailed notice, the Association may post items on its website such as proposed budgets, proxy forms, financial reports, and make reference in the mailed notice to the availability of these documents on the website.

Policy No. 10: Association Website

- A. The Association shall maintain a website at www.RiversidePlaceHOA.com and shall post a current list of the following on the website:
- a. Name and contact information for all officers and member of the Board of the Association
 - b. Minutes from the most recent meeting of the membership and the Board
 - c. A current copy of the governing documents of the Association
 - d. A current copy of the declaration of covenants, conditions, and restrictions for Riverside Place.
 - e. A current copy of all rules, regulations, and policies for the Association.
- B. In the event the Board changes the website address, it shall give notice of the new address to all Owners within a reasonable time.

Certification:

These governance policies are current as of August 17, 2008.


Paula Boyd, Secretary of the Association