

POLICY AND PROCEDURES FOR ALTERNATIVE DISPUTE RESOLUTION

PURPOSE: To facilitate the operation of the Association by establishing a policy and procedures to be followed for dispute resolution.

AUTHORITY: The Declaration of Protective Covenants (hereinafter "Declaration"), Articles and Bylaws of the Association and Colorado law.

The following Policy and Procedures will be followed for dispute resolution:

1. General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution ("ADR") is defined as a procedure for settling a dispute by means other than litigation, such as mediation, non-binding arbitration, or binding arbitration.
2. Policy. ADR, in the form of Mediation, Non-Binding Arbitration, or Binding Arbitration, may be pursued by the Association before any lawsuit is filed, except in the case of the collection of assessments or the enforcement of the covenants, bylaws, or rules and regulations of the Association, subject to the following:
 - (a) ADR shall not be required if time constraints prevent accomplishing ADR.
 - (b) ADR will not be pursued by the Association if an Owner refuses to participate in the process.
 - (c) At the time the parties agree to use ADR, the parties shall also agree on the form of ADR to be used (mediation, non-binding arbitration, or binding arbitration). If the parties cannot agree on the form of ADR to be used, ADR shall be in the form of mediation.
 - (d) Any ADR pursued must be done using a trained mediator, arbitrator, or facilitator having some familiarity with the governance of community associations.
 - (e) Any ADR must be conducted in compliance with the Uniform Arbitration Act and/or the Dispute Resolution Act, as applicable.

- (f) If ADR is to be pursued, the Owner shall execute an agreement with the Association prior to the commencement of the ADR process which tolls any applicable statute of limitations while the parties are attempting to resolve the dispute through ADR.
3. Selection of Mediator/Arbitrator. If the parties to the ADR cannot agree, within 30 days of the request for ADR, on the facilitator, mediator, arbitrator, or other qualified person to conduct the ADR, then, within 10 days,
- (a) Each party shall choose a qualified person as defined in this Policy, and those so selected shall then appoint a third qualified person to be determined in their sole discretion.
- (b) In the event a party fails to select a qualified person as specified in subsection (a) above, the person selected by the other party shall be deemed acceptable to both parties and shall act as the facilitator, arbitrator, or mediator.
4. Costs. The costs of ADR shall be split equally among the parties involved in the ADR. In the event an Owner fails to pay the Owner's share of the cost of the ADR, such amount shall be considered an Assessment against such Owner's Parcel, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado Law.
5. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. 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.
7. 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.
8. Amendment. This policy may be amended by the Board of Directors.