

RUEDI SHORES HOMEOWNERS ASSOCIATION, INC

DISPUTE RESOLUTION POLICY

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors of the Association desires to adopt a uniform and systematic dispute resolution policy.

The Association hereby adopts the following policies and procedures for dispute resolution.

GENERAL

- 1) It is acknowledged that both Members and the Association have a responsibility to comply with:
 - a) the provisions of the Colorado Common Interest Ownership Act;
 - b) the provisions contained in the Articles of Incorporation, the Bylaws and the Covenants; and
 - c) reasonable Rules and Regulations, Policies and Procedures and Architectural Guidelines.
- 2) The Association has a responsibility to apply the provisions of the above-cited documents uniformly and use business judgment and reasonable diligence to resolve conflicts between the Association and its Members.

ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

The Board of Directors encourages negotiation or mediation as alternative methods of dispute resolution to avoid litigation. The Association encourages Owners with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation. The parties are not waiving their right to employ legal counsel at their own expense to assist them by first attempting resolution through negotiation or mediation.

In the event that a dispute should arise between an Owner, or Owners, and the Association, the following procedure shall apply:

1) REQUIRED DISPUTE RESOLUTION PROCEDURE

- A) **Hearing** Prior to filing a lawsuit against the Association, an Owner must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or mailed to the Association's address of record. The Owner, in such request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's grievance. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 14 or more than 30 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.

2) DISCRETIONARY DISPUTE RESOLUTION PROCEDURES

At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

- A) **Negotiation** A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered or mailed to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the

interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

- B) **Mediation** If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 14 days of the receipt of the request. The parties may be, but do not need to be, represented by legal counsel at the mediation. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise, excluding attorney fees, for which each party shall pay their/it's own.

LITIGATION

- 1) If a dispute has not been resolved by the hearing date, negotiation or mediation, nothing in this provision precludes any party from pursuing their/it's rights in a Court of Law.
- 2) If a dispute impacts the health, safety, or welfare of the community, the property, or the Members, the Association may proceed to a Court of Law without scheduling a hearing or mediation.

MISCELLANEOUS

- 1) No provision herein shall apply to the collection of Homeowner Association assessments as that term is defined in 38-33.3-316(1) C.R.S.
- 2) This policy is not intended to pertain to disputes between Owners. In the event of a dispute between Owners, the Association recommends the Owners attempt to resolve the dispute amongst themselves, employing mediation if necessary.
- 3) In the event the Owners are unable to resolve their dispute and the dispute is based on a violation of the Association's governing documents, the complaining Owner may initiate a written complaint with the Association consistent with the Association's Enforcement Policy.

AMENDMENT

This Policy may be amended from time to time by the Board.

CERTIFICATION

The President and Secretary of the Board of Directors of the Ruedi Shores Homeowners Association, Inc. hereby certify that the foregoing Covenant Enforcement Policy was adopted following a vote and approval of a majority of the Board Members eligible to vote, as required by the Association's Bylaws, on Sept 8, 2014 and in witness thereof the undersigned have subscribed his/her names.

**RUEDI SHORES HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation**

By: Lynn Colhoun
Lynn Colhoun, President

ATTEST:
By: Ann Morris
Ann Morris, Secretary