

RANCH AT ROARING FORK HOMEOWNERS ASSOCIATION, INC.

14913 HIGHWAY 82
CARBONDALE, CO 81623

POLICY – ALTERNATIVE DISPUTE RESOLUTION

Effective: February 8, 2016

The following policy and procedure has been adopted by the Board of Directors ("Board") of the Ranch at Roaring Fork Homeowners Association, Inc. ("Association") to comply with C.R.S. § 38-33.3-209.5(1)(b)(VIII) and in accordance with the Colorado General Assembly's encouragement that parties "make use of all available public or private resources for alternative dispute resolution" as stated in C.R.S. § 38-33.3-124.(1)(a)(I). As used herein the term "Owner" has the meaning specified in the Association's Second Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges, as amended (the "Declaration"). This Policy shall remain in effect until such time as it may be duly changed, modified, or amended by the Board.

1. General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes between the Association and Owners. As used herein, Alternative Dispute Resolution ("ADR") means a procedure for settling a dispute by means other than litigation, such as mediation.
2. Informal Dispute Resolution. In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally. If the Owner requests to meet with the Board for that purpose, the Board shall make a reasonable effort to comply with the Owner's request within 30 days thereafter.
3. ADR. Subject to the exceptions specified in Section 4, below, in the event of any dispute involving the Association and an Owner, the parties shall comply with the following procedures.
 - a. *Owner's Notice of Dispute*. Before filing any lawsuit against the Association, an Owner must first give written notice to the Board setting forth in reasonable detail the subject of the dispute and a proposed resolution. If the Board and the Owner do not resolve the dispute on their own within 30 days after such a notice, either party may suggest that the matter be submitted for mediation in accordance with this Policy ("Written Request for ADR").
 - b. *Written Request for ADR*. Before any lawsuit is filed between the Association and any Owner(s), the Association or any Owner that is a party to the dispute shall submit a written request to the other party to pursue ADR (in the form of mediation). Upon written request, the other party shall respond in writing within 14 days as to whether the party agrees to pursue ADR. Unless within 14 days thereafter the other party agrees in writing to pursue ADR, ADR shall

not be required. If within such 14 day period the other party agrees in writing to pursue ADR, the parties shall promptly do so and ADR shall be completed prior to the filing of any lawsuit. Any ADR must be pursued using a trained mediator or other qualified person agreed upon by the Association and the Owner(s), or determined in accordance with Section 5, below, if applicable. Each such person must have familiarity with the governance of community associations (a "Qualified Person").

4. Exceptions to ADR.

- a. ADR shall not be required for actions by the Association to: (1) collect assessments; or (2) enforce any provision of the Association's Governing Documents (Declaration, Bylaws, Rules and Regulations, Policies, and Procedures).
- b. ADR shall not be required if in the reasonable judgment of the Association's Board of Directors the ADR process: (i) might unduly delay or complicate resolution of any dispute; or (ii) might threaten or place in jeopardy the health, peace or safety of the Association or any of its Owners or its or their properties.

5. Selection of Qualified Person. If within 14 days after a Written Request for ADR the Association and the Owner(s) have agreed in writing to ADR but have not agreed in writing on a Qualified Person to conduct the ADR process, then:


- a. Within ten (10) days after the expiration of such fourteen (14) day period, each party shall by written notice to the other party(ies) name a Qualified Person, and the Qualified Persons so named within ten (10) days thereafter shall in their sole discretion name and designate the Qualified Person to conduct the ADR process (if so agreed by the named Qualified Persons, the individual designated to serve as the Qualified Person to conduct the ADR process may be one of the named Qualified Persons).
- b. In the event a party fails to name a Qualified Person as specified in subsection 5.a., above, the Qualified Person(s) selected by the other party(ies): (i) , if only one, shall be deemed acceptable and shall act as the Qualified Person to conduct the ADR process; and (ii) if more than one, shall name and designate the Qualified Person as provided in subsection 5.a., above.

6. Costs. The costs of ADR shall be split equally among the parties involved in the ADR process except to the extent, if at all, the Qualified Person recommends otherwise or the parties so agree. 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 Unit, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado Law.

7. Definitions. Unless otherwise defined in this Policy, capitalized terms have the meanings specified in the Declaration.
8. Supplement to Law. The provision of this Policy shall be in addition to and in supplement of the terms and provision of the Declaration and the law of the State of Colorado governing the Association.
9. Deviations. The Board may deviate from the procedures in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
10. Amendment. This Policy may be amended from time to time by the Board of Directors.

CERTIFICATION:

The undersigned, being the President of the Ranch at Roaring Fork Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association, at a duly called and held meeting of the Board on February 8, 2016, and in witness thereof, the undersigned has subscribed his/her name.

By: 
Stewart H. McConaughy, President