

Shadow Run Townhomes Homeowners Association

POLICY No. 009-2020: DISPUTE RESOLUTION BETWEEN THE ASSOCIATION AND OWNERS

Adopted prior to December 31, 2007; last amended 3/31/2021

The following Policy has been adopted by the Shadow Run Townhomes Homeowners Association ("the Association"), pursuant to the provisions of C.R.S. §38-33.3-209.5, the Project Documents and The ACT at a regular meeting of the Board of Directors ("the Board"). Additional policies, procedures, rules and regulations may exist separately.

PURPOSE: The purpose of this Policy is to adopt a standard procedure to be used in the negotiation process for resolving disputes that arise between an Owner and the Association. A meeting with the Board is the first step, which should be taken to resolve most disputes. This step is usually the most advantageous and economical for both parties. Should resolution of the dispute not be achieved by meeting with the Board, the second step would be to submit the unresolved dispute to Mediation or Alternative dispute resolution (ADR). If arbitration or ADR is unsuccessful, the last step for remediation is for the parties to have the dispute adjudicated by the court.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy governing the disputes between Members and the Association:

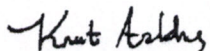
- A. Scope.** This Policy addresses disputes arising between the Association and Owners that are not addressed specifically by other Policies (Collection of unpaid assessment is addressed by Policy **SRTHA-001-2020** herein; Enforcement of Covenants and Rules is addressed by Policy **SRTHA-004-2020** herein).
- B. Notification and investigation.** Complaints against the Association by any Owner shall be made in writing and delivered in person or by 1st class mail, postage prepaid, to the President of the Board of Directors or the managing agent at the Association's primary address. The complaint must include the nature of the complaint and any pertinent facts supporting the complaint. The complaint must also contain the printed name, signature and address of the Owner lodging the complaint. The Board of Directors shall act in good faith in promptly investigating and responding to Owner complaints concerning the actions (or omissions) of the Association. The Board of Directors shall provide an initial written response to the aggrieved Owner within ten (10) days of receiving the written complaint.
- C. Procedure for Resolution of Dispute.** In the event of any dispute involving the Association and an Owner, the Owner will be invited and encouraged to meet with the Board to resolve the dispute informally and without the need for litigation. The parties are encouraged to meet in person, either informally or at a meeting of the Board of Directors. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request. The Board of Directors, at their discretion and if deemed appropriate, will attempt to negotiate a resolution of the disputed matter. Except for the Exempted Claims defined in Section F of this Policy, the Association and the Owner shall attempt to resolve the dispute using ADR methodologies prior to filing suit in any court of competent jurisdiction.
- D. Procedures for Mediation and Arbitration.** If negotiation between the parties fails to resolve the dispute, the matter may be submitted to mediation, if appropriate, by either party to the controversy, prior to the commencement of any legal proceedings, as provided by the ACT. Alternative Dispute Resolution ("ADR") is defined as a procedure for settling disputes by means other than litigation, such as mediation or binding or non-binding arbitration. If mediation is not successful in resolving the dispute between the parties, the parties may submit the controversy to binding arbitration under the "Uniform Arbitration Act," if all parties to the controversy agree.

- E. ADR Not Required.** Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owners waives any right to pursue whatever legal or other remedial actions available to either party.
- F. Exemptions.** The following claims shall be exempt from the provisions of this Policy:
- 1. Collection of Assessments.** Any action by the Association against an Owner to collect Assessments or other sums due to the Association, including foreclosure proceedings;
 - 2. Enforcement Actions.** Any action by the Association to enforce any provisions of the Association's Declaration, Articles of Incorporation, Bylaws, Policies, Restrictions, and Rules and Regulations
 - 3. Jurisdictional Conflict.** Any claim that is not within the jurisdiction of the Association, the Project Documents and the Act. These claims will be referred by the Association to the appropriate Federal, State, County and Local authorities, as determined to have jurisdictional over-sight, control and/or enforcement responsibilities
 - 4. Statute of Limitations.** Any claim of the Association which, if not pursued by the filing of a lawsuit, would be deemed barred due to the applicable statute of limitations.
- G. Enforcement.** Upon certification, the Board shall give notice of the adoption of the Policy to all Owners of the Association. Notice to the Owners shall be by any reasonable method as determined by the Board. Any Owner's failure, to notice or gain access to the new Policy, shall not be a defense against any attempt by the Association to enforce the new Policy, levy fines, and recover costs and/or attorneys' fees as a result of a violation of the new Policy.
- H. Definitions.** As used in this Policy, capitalized terms shall have the same meanings as defined in the Declarations. References to "days" means calendar days (as opposed to business days).
- I. Conflicts.** The Policies adopted by the Association are supplemental to the Project Documents and the ACT. In the event of a conflict between the provisions of this Policy and the Declaration, the Declaration shall control. In the event of a conflict between this Policy and the ACT, the ACT shall control.
- J. Severability.** The provisions of this Policy shall be independent and severable. The invalidity of any one or more of the provisions of this policy by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which shall remain in full force and effect.

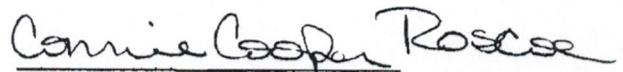
PRESIDENT'S CERTIFICATION:

The undersigned, being the President of Shadow Run Townhomes Homeowners Association, a Colorado non-profit corporation, certifies that the foregoing Resolution, amending and codifying Policy III, was introduced as Policy No. 009-2020 for first reading at a duly called and held meeting of the Board on May 6, 2020. Policy No. 009-2020 was presented for a second, final reading and adopted at a duly called and held meeting of the Board on March 31, 2021. Policy No. 009-2020 is hereby certified as adopted by the Board on March 31, 2021 and in witness thereof, the undersigned has subscribed their names and titles in performance of their duties as officers of:

Shadow Run Townhomes Homeowners Association, Inc., a Colorado non-profit corporation.



Knut Aakhus, President



Connie Cooper, Secretary