

TAMARRON ASSOCIATION OF CONDOMINIUM OWNERS, INC.

Responsible Governance Policy

PROCEDURES FOR ADDRESSING DISPUTES

The following policy and procedures have been adopted by the Tamarron Association of Condominium Owners, Inc., a Colorado Non-Profit Corporation (“Association”) pursuant to the provisions of the Colorado Common Interest and Ownership Act (the “Act”) C.R.S. 38-33.3-209.5, at a meeting of the Executive Board.

NOW THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy:

In accordance with responsible governance, the Board, pursuant to C.R.S. 38-33.3-124 and C.R.S. 38-33.3-209.5, has adopted the following protocols that make use of alternative dispute resolution (“ADR”) procedures. These ADR procedures will not apply to the Association when it is seeking to collect outstanding and unpaid assessments as provided for in the Declaration, in instances where the Association is required to seek an injunction or in situations that involve an imminent threat to peace, health or safety of the community. In all other instances, compliance with the ADR policy shall be required. This protocol and procedure shall be used to handle disputes between Owners and the Association except as provided above. This Policy shall satisfy the requirement for an alternative dispute resolution (ADR) policy set forth in Act, Section 38-33.3-124(b).

1. **Alternative Dispute Resolution.** Because the prompt, efficient, fair and non-belligerent resolution of certain disputes is desirable, any controversy arising out of or relating to this Declaration, the Bylaws, Policies and Procedures, Development Standards, and Rules and Regulations (the “Governing Documents”), or a breach thereof, or any other dispute between the Association or any Owner shall be resolved as set forth herein.
2. **Prerequisite.** The parties to any dispute governed by this policy shall exhaust all remedies and procedures required by the Governing Documents prior to resolving the dispute through this ADR policy.
3. **Direct Communication.** If the dispute is not governed by a procedure for resolution as otherwise provided in the Governing Documents, the parties to the disagreement shall set forth their respective positions in the dispute in correspondence. Each party shall respond within seven days after receipt of a letter from the other until agreement is reached.
4. **Mediation.** If the dispute cannot be resolved through direct communication of the parties, either party may request appointment of a neutral and properly credentialed mediator. By agreement of the parties, both parties shall participate in the mediation in good faith until the dispute is resolved or until the mediation terminates. Either party to a

mediation may terminate the mediation process without prejudice. The cost of the mediation, namely, charges rendered by the mediators, shall be divided equally among the parties. Each party shall be responsible for its own attorney's fees. The mediation agreement, if one is reached, may be presented to the court as a stipulation.

5. Arbitration.

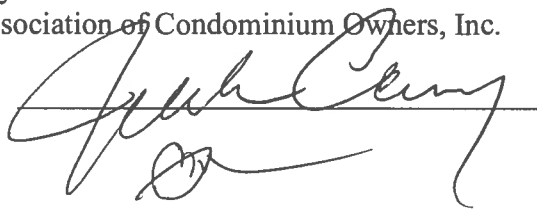
- (a) Method. If the dispute cannot be resolved through mediation, either party may request appointment of one or more neutral and properly credentialed arbitrators with expert knowledge and experience regarding the subject in dispute. The initiating person shall give written notice of its decision to arbitrate by providing a specific statement setting forth the nature of the dispute, the amount involved and the remedy sought. The initiating person shall be responsible for all filing requirements and the payment of any fees according to the rules of the Uniform Arbitration Act, Part 2 of Articles 22 of Title 13, C.R.S. The parties shall have an equal and fair opportunity to present their respective positions to the arbitrators, orally or in writing, as the arbitrators may specify depending on the nature of the dispute. The arbitrators may require such testimony, materials and documentation as they may determine to be appropriate. The arbitrators shall provide a written resolution within thirty days after the conclusion of the presentations of the parties and receipt of requested materials and documents. Any dispute shall be settled by binding arbitration administered according to the Uniform Arbitration Act, Part 2 of Articles 22 of Title 13, C.R.S.
- (b) Costs. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and expenses including any attorney's fees, arbitrator's fees and out-of-pocket expenses of any kind. The term "prevailing party" shall mean the party whose position is most nearly upheld in arbitration. (For example, the prevailing party would be the party who is required to pay \$1,000.00 in the arbitration proceeding where such party had, prior to the commencement of the arbitration, offered \$500.00 by way of settlement and the opposing party, refusing such offer, had claimed entitlement to \$10,000.00.)
- (c) Binding Nature; Applicable Law. The consideration of the parties to be bound by arbitration is not only the waiver of access to determination by a court and/or jury, but also the waiver of any rights to appeal the arbitration finding. A judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction.
- (d) Location. The alternative dispute resolution proceeding shall be held within La Plata County, Colorado unless otherwise mutually agreed by the parties.

- (e) Sole Remedy; Waiver of Judicial Rights. The Association and each Owner expressly consent to these procedures established in this Article as their sole and exclusive remedy, and expressly waive any right they may have to seek resolution of any dispute contemplated by this Article in any court of law or equity, and any right to trial by judge or jury. If a dispute involves the Association, no person shall file a memorandum of lis pendens or similar instrument that would encumber or create a lien upon the land owned by the Association.

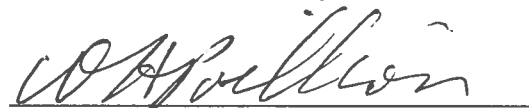
- (f) No Agreement by Association. Notwithstanding any provision in this ADR policy to the contrary, the Association shall have the right to enforce all covenants and restrictions within the Governing Documents, and the Association does **not** agree to mediate or arbitrate its claims against Owners in such enforcement actions.

- (g) No Conflicts. This ADR Policy is not intended to modify or alter any portion of the Declaration or any “notice and hearing procedure” established in the bylaws for the resolution of covenant violations. If any part of this alternative dispute resolution conflicts with any provision of the Governing Documents, the provisions of the Governing Documents shall be controlling.

THIS POLICY AND PROCEDURE was adopted at the meeting of the Board of Directors on September 9, 2015, by an affirmative vote of more than 66 2/3rds of the Board of Directors for Tamarron Association of Condominium Owners, Inc.







Please attach my signature to each of the six Board policies that were passed by the Board on September 9, 2015. Also, please attach my signature to the amended and restated bylaws that were passed by the Board on September 9, 2015.

John Habting

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