

## Shadow Creek Homeowners Association

### ALTERNATIVE DISPUTE RESOLUTION

1. General Policy. The Association seeks to maintain the community as an amicable place to live. As such, the Association encourages the alternative dispute resolution methods to resolve disputes involving the Association and an Owner without resort to litigation.
2. Informal Meeting. If a dispute arises involving the Association and an Owner, the Owner is encouraged and welcome to attend the next regularly scheduled meeting of the Board of Directors to discuss the dispute. Any Owner wishing to address such a dispute shall notify the Board through its managing agent at least three days in advance of the meeting, and shall (a) inform the managing agent that the Owner wishes to meet with the Board at the next meeting, and (b) provide sufficient information to identify the nature and extent of the dispute. The parties shall then discuss the dispute at the meeting and make a good faith effort to resolve the dispute without need for further action.
3. Optional Mediation. If the dispute is not resolved at the informal meeting, but it appears at that meeting that the parties may be able to resolve the dispute through mediation, and provided that both parties agree to pursue mediation, the parties may submit the dispute to mediation by an independent mediator with knowledge and experience in the community association area as agreed upon by the parties. Such mediation shall proceed within thirty (30) days of the decision to submit the dispute to mediation. The costs of such mediation shall be shared equally among the parties. An Owner's share of the costs, if not immediately paid, may be assessed against that Owner's Lot and may be collected in the same manner as any assessment.
4. Further Action. If it appears at the initial meeting that the dispute cannot be resolved informally, or if the dispute goes to mediation and such mediation fails to resolve the dispute within fourth-five (45) days after the decision to submit to mediation, any party may, in that party's own discretion, pursue the legal or equitable remedies available under the Association's governing documents and Colorado law.
5. Exempt Claims. In the Board's sole discretion, the following types of disputes may be exempted from this policy, and the Association may immediately pursue its legal or equitable remedies without first involving alternative dispute resolution.
  - a. Any dispute involving an attempt by the Association to collect assessments, fines, or other amounts alleged to be owed by an Owner to the Association.
  - b. Any action to enforce or foreclose the Association's lien for assessments.
  - c. Any action by the Association to enforce provisions of the Association's Declaration, Bylaws, or Rule and Regulations.
  - d. Any action by the Association seeking to obtain or to enforce a temporary restraining order, preliminary injunction, or permanent injunction.
  - e. Any item that comes within the Association's policy and procedure for Enforcement of Covenants and Rules involving notice of violation, opportunity for a hearing, and imposition of a fine.