

RESOLUTION OF THE BOARD OF DIRECTORS OF

COLUMBIANE TOWNHOUSES FIVE

**Subject:** Adoption of a procedure regarding alternative dispute resolution.

**Purpose:** To adopt a standard procedure to be followed for alternative dispute resolution.

**Authority:** The Declaration, Article and Bylaws of the Association and Colorado Law.

**Effective**

**Date:** 1-1-07

**RESOLUTION:** The Association hereby adopts the following policy and procedures.

1. General. It is the general policy of the Association to encourage the use of alternative dispute resolution to resolve disputes involving the Association and an owner. Alternative Dispute Resolution ("ADR") is defined as a procedure for settling a dispute by means other than litigation, such as mediation, non-binding arbitration or binding arbitration.

2. Policy. ADR, in the form of mediation, non-binding arbitration or binding arbitration, may be pursued by the Association before any lawsuit is filed, except in the case of collection of assessments or the enforcement of covenants, bylaws, or rules and regulations of the Association (Unless required by the governing documents), subject to the following:

- (a) ADR shall not be required if time constraints prevent accomplishing ADR.
- (b) ADR will not be pursued by the Association if an owner refuses to participate in the process.
- (c) At the time the parties agree to use ADR, the parties shall also agree on the form of ADR to be used. If the parties cannot agree on a form of ADR to be used, ADR shall be in the form of mediation.
- (d) Any ADR pursued must be done so using a trained mediator, arbiter or facilitator having some familiarity with the governance of community associations.
- (e) Any ADR must be conducted in compliance with the Uniform Arbitration Act and/or the Dispute Resolution Act, as applicable.

(f) If ADR is to be pursued, the Owners shall execute an agreement with the Association prior to the commencement of the ADR process which tolls and applicable statute of limitations while the parties are attempting to resolve the dispute through ADR.

3. Selection of Mediator/Arbitrator. If the parties to the ADR cannot agree, within 30 days of the request for ADR, on the facilitator, mediator, arbitrator or other qualified person to conduct the ADR, then, within 10 days.

(a) Each party shall choose a qualified person as defined in this Policy, and those so selected shall then appoint a third qualified person to be determined in their sole discretion.

(b) In the event a party fails to select a qualified person as specified in subsection (a) above, the person selected by the other party shall be deemed acceptable to both parties and shall act as the facilitator, arbitrator or mediator.

4. Costs. The costs of the ADR shall be split equally among the parties involved in the ADR. In the event and owner fails to pay the Owner's share of the cost of the ADR, such amount shall be considered an Assessment against the Owner's Unit, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado Law.

5. Failure to comply with Settlement. If the parties resolve any Claim through negotiation, mediation, or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this Policy. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from the non-complying party all costs incurred in enforcing such agreement or award, including without limitation, attorney fees and costs.

6. Definitions. Unless otherwise defined in this resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

7. Supplement to Law. The provisions of this resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
8. Deviations. The Board may deviate from the procedures in this resolution if in its sole discretion such deviation is reasonable under the circumstances.
9. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENTS**

**CERTIFICATION:** The undersigned, being president of the Association certifies that the forgoing resolution was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors held on this 19th Sept 2006. And in witness thereof, the undersigned has subscribed his/her name.

Columbine Town Houses Five Assoc.  
Association Name

By: Alan J. Lewis  
President