

**CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION
ALTERNATIVE DISPUTE RESOLUTION POLICY
March 21, 2015**

1. SCOPE

- 1.1. From time to time, disputes may arise between the Association, the Board, or agent of the Association and an owner or resident. This policy commits the parties in any such dispute to work together in an attempt to resolve the dispute without litigation in order to facilitate the prompt resolution of such disputes in a manner that respects and builds upon the relationships between the parties.
- 1.2. Any individual owner or resident must exhaust all available internal remedies of the Association prescribed below, before that owner or resident may resort to a court of law for relief with respect to any dispute with the Association.
- 1.3. This policy shall apply to all disputes between an owner or a resident and the Association, the Board, or agent of the Association except as follows:
 - 1.3.1. Any action by the Association against an owner to collect assessments. Such actions shall proceed according to the Association's Collection Policy.
 - 1.3.2. Any action by the Association to enforce the Declaration, the Bylaws or Rules and Regulations. Such actions shall proceed according to the Association's Compliance Policy.
 - 1.3.3. Alternative Dispute Resolution shall not be required if time constraints prevent accomplishing alternative dispute resolution or if the health, peace or safety of the community is threatened.

2. PURPOSE

The purpose of this policy is to document the alternative dispute resolution policy.

3. NOTICE

Prior to filing a lawsuit, the owner or resident (the "Claimant") against the Association shall give written notice (the "claim") to the Association via mail or personal delivery, stating plainly and concisely:

- 3.1. the nature of the Claimant, including the persons involved and the role in the Claim;
- 3.2. the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);
- 3.3. the Claimant's proposed resolution or remedy;
- 3.4. the Claimant's desire to meet with the Association to discuss, in good faith, ways to resolve the Claim; and
- 3.5. state if there are time constraints due to health or safety reasons.

4. NEGOTIATION

The Claimant and the Association (the “parties”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the claim by good faith negotiation. After receipt of the notice from the Claimant, the Board will schedule a hearing with the Claimant and send written request to the Claimant by regular, first class mail or by electronic mail. The Board has the authority to deny a request for a hearing if an excessive number of requests have been made by the same Claimant or if the matter has otherwise been previously addressed by the Board. The hearing with the Board for alternative dispute resolution shall follow the below procedures. If the Claimant does not appear for the hearing, the Claimant shall be deemed to have waived the claim.

5. HEARING

The procedure for the alternative dispute resolution hearing will be as followed:

- 5.1. The hearing shall be open to any member of the Association that would be allowed to attend any regular meeting of the Board, except when allowed to be in executive session pursuant to the Act.
- 5.2. The President of the Board, or another Board Member or person at the meeting assigned by the Board, will act as the chairperson for the hearing.
- 5.3. The chairperson of the hearing will state the purpose of the hearing and allow the Claimant or a representative of the Claimant a fifteen (15) minute without interruption opening statement, presentation of evidence and defense to the Board. The time allocated for the opening statement can be extended by the Board.
- 5.4. The Board will then be allowed to ask questions. Each person asking a question and each person responding to a question shall be allowed three (3) minutes without interruption per question.
- 5.5. The Claimant will then be allowed a ten (10) minute without interruption closing statement to the Board.
- 5.6. The Board will then provide a ten (10) minute without interruption closing statement.
- 5.7. Any person present at the hearing that would like to speak must be recognized by the chairperson.
- 5.8. The chairperson of the hearing will state each person’s name speaking when recognized.
- 5.9. The Board will deliberate and make a decision based on the evidence and statements presented in the hearing.
- 5.10. The Board’s decision will be delivered to the Member within fourteen (14) days of the hearing.

6. MEDIATION

- 6.1. Common interest communities are encouraged to adopt protocols that make use of mediation or arbitration as alternatives to, or precondition upon the filing of a complaint between an owner or resident and the Association in situations that do not involve an imminent threat to the peace, health, or safety of the community.
- 6.2. Mediation, as used in law, is a form of alternative dispute resolution, a way of resolving disputes between two or more parties. A third party, the mediator assists the parties to negotiate their own settlement (facilitative mediation). In some cases, mediators may

express a view on what might be a fair or reasonable settlement, generally where all the parties agree that the mediator may do so (evaluative mediation).

- 6.3. If the claim has not been resolved within thirty (30) days after the hearing or some other agreed upon time frame by both parties established at the hearing, or the Claimant did not appear at the hearing then the parties must proceed to alternative dispute resolution method of mediation, prior to commencing any legal action.
- 6.4. If both parties agree, they can use arbitration in place of mediation requirement above, as an alternative dispute resolution. Arbitration, a form of alternative dispute resolution, is a legal technique for the resolution of disputes outside the courts, where the parties to a dispute refer it to one or more persons (the "arbitrators" or "arbiters"); by whose decision (the "award") they agree to be bound. It is a settlement technique in which a third party reviews the case and imposes a decision that is legally binding for both sides.
- 6.5. The parties shall agree within thirty (30) days on a mutually agreeable mediator.
- 6.6. The alternative dispute resolution must be conducted in compliance with Colorado Revised Statutes.
- 6.7. The parties shall present the mediator with a written summary of the claim.
- 6.8. If the Claimant does not submit the claim to mediation within such time frame, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the claim, and the Association shall be relieved of any and all liability to the Claimant on account of such claim.
- 6.9. If the parties do not settle the claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated.
- 6.10. The Claimant and the Association shall bear its own costs of the mediation, including attorneys' fees, and each shall pay an equal share of the mediator's fees.

7. SETTLEMENT

- 7.1. Any settlement of the claim through negotiation or mediation shall be documented in writing and signed by both the Association and the Claimant. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in this policy. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.
- 7.2. The Association or the Claimant can request mediation and/or arbitration again in accordance with this policy after a suit is filed.

8. CONFLICT

In the event of conflict between the provisions of the Declaration, Articles of Incorporation, the Bylaws and this Policy, they shall prevail in that order.

9. CERTIFICATION

The undersigned, the Secretary of the Association, hereby signs to confirm that the above policy was adopted by the Board of Directors on March 21, 2015.

//Signed//

Signature

Casey Meadows
Printed Name