

SOMERSET ESTATES HOMEOWNERS ASSOCIATION, INC.
ALTERNATE DISPUTE RESOLUTION POLICY AND PROCEDURES

Adopted 2/27/2019

The following policy has been adopted by Somerset Estates Homeowners Association, Inc. ("Association") pursuant to the Colorado Common Interest Ownership Act ("Act"), including C.R.S. 38-33.3-124 and C.R.S. 38-33.3-209.5, as amended, at a regular meeting of the Executive Board ("Board").

Purpose: To adopt a policy and procedures governing the handling of disputes between the Association and Association Members ("Members"). The Association seeks to encourage the amicable resolution of disputes involving the Association without the emotional and financial costs of litigation.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy and procedures for addressing disputes between the Association and its Members:

1. Except as otherwise set forth in the Association's policies and procedures for the enforcement of the Association's Declaration and collection of dues, fees, assessments, and/or fines, any/all disputes between the Association and its Members, or any of them, shall be resolved by a process of mediation, followed by binding arbitration as described in Article 14 of the Declaration, rather than by legal or equitable action in court. Exemptions not subject to Article 14 include any suit by the Association to enforce the provisions of Article 5 (Assessments); any legal or equitable action by the Association to obtain a temporary restraining order or preliminary injunction and such other ancillary relief as the court may deem necessary in order for the Association to act under and enforce the provisions of Article 6 (Restrictions on Occupancy and Use), or Article 7 (Architectural Control Committee); any legal or equitable action between or among Members, which does not include the Association as a party; and any suit in which any indispensable party is not a Bound Party.

2. The process of mediation/arbitration of any/all disputes involving the Association and Member(s) shall be initiated as follows: (1) if by the Association, by sending notice of claim to the affected Member(s) by U.S. Mail to the mailing address appearing in the records of the Association describing the nature of the controversy and the remedy sought; and (2) if by a Member, by sending notice of claim to the Association's Property Manager by U.S. Mail describing the nature of the controversy and the remedy sought.

3. The party receiving a notice sent in accordance with the provisions of the preceding paragraph shall acknowledge receipt of same, in writing, within five (5) business days of receipt, by U.S. mail. Upon receipt of a notice, and prior to commencing any mediation or arbitration, the party receiving the notice shall have the right to be heard in an effort to resolve the claim. The parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the claim by good faith negotiation. Any party may appoint a representative to assist such party in negotiation.

4. If the parties do not resolve the claim through negotiations within thirty (30) days after the date of receipt of the claim, as may be extended upon agreement of all affected parties, the Claimant shall have 30 additional days to submit the claim to mediation under the auspices of an independent mediation service acceptable to all parties. If the parties are unable to agree upon a mediator, either party may apply to the District Court in Boulder County for appointment of a mediator.

5. If the parties are unable to resolve all pending issues by way of mediation within thirty (30) days, as may be extended upon agreement of all affected parties, the mediator shall issue a notice of termination of the mediation proceedings, as per Article 14 of the Declaration. The Claimant shall have an additional thirty (30) days to submit the matter or remaining matter(s), to binding arbitration in accordance with the provisions of Exhibit C in the Declaration.

6. The costs for mediation and arbitration will be as set out in Article 14 of the Declaration.

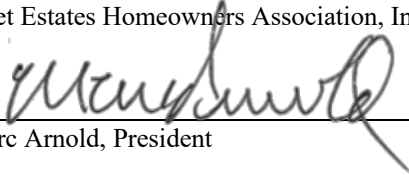
7. This Resolution shall not affect the Association's right to petition the District Court with regard to amendments of the Declaration of the Association, as provided for by C.R.S. 38-33.3-217, or any other rights

provided for in the Declaration.

8. Miscellaneous. Failure by the Association to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereafter.

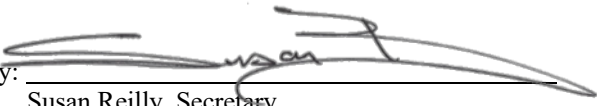
9. Severability. If a provision of this policy is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provisions of this policy.

Somerset Estates Homeowners Association, Inc.

By: 

Marc Arnold, President

This Alternate Dispute Resolution Policy was adopted by the Executive Board on the 27th day of February, 2019, effective the 27th day of February, 2019 and is attested to by the Secretary of the Somerset Estates Homeowners Association, Inc.

By: 

Susan Reilly, Secretary