

## ELK STREAM RANCH

A Colorado Common Interest Community  
Located in T36N R13W, T35N R13W, T36N R12W and T35N R12W, N.M.P.M  
Montezuma County and La Plata County, Colorado

**Elk Stream Ranch Property Owners Association, Inc.**  
**A Colorado Non-Profit Corporation**

### POLICIES

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### **POLICY #8-2010: DISPUTE RESOLUTION BETWEEN OWNERS AND ASSOCIATION**

Adopted 6<sup>th</sup> Aug, 2010

The following procedures have been adopted by the Elk Stream Ranch Property Owners Association, Inc., a Colorado Non-Profit Corporation ("Association") pursuant to the provisions of C.R.S. §38-33.3-209.5, the Governing Documents of the Association, and the Act, at a regular meeting of the Board.

**Purpose:** the purpose of this policy is to adopt a standard procedure to be followed for alternative dispute resolution when disputes arise between an Owner and the Association.

**NOW, THEREFORE, IT IS RESOLVED** that the Association does hereby adopt the following policy governing disputes between Owners and the Association:

**1. Disputes Between Owner and Association.** In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owners request.

**2. General Policy.** If the dispute cannot be resolved informally, 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 or binding or non-binding arbitration.

**3. Procedure.** Except for the Exempted Claims defined in this policy, the Association and the Owner shall attempt to resolve the dispute using ADR methodologies prior to filing suit in any court of competent jurisdiction.

**4. Exemptions.** The following claims shall be exempt from the provisions of this policy:

**a. Collection of Assessments.** Any action by the Association against an Owner to collect Assessments or other sums due to the Association, including foreclosure proceedings; and

**b. Enforcement Actions.** Any action by the Association to enforce any provisions of the Association's Declaration, Bylaws, or rules and regulations; and

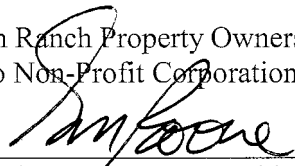
**c. Statute of Limitations.** Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations.

**5. ADR Not Required.** Nothing in this policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party.

**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of the Elk Stream Ranch Property Owners Association, Inc., a Colorado Non-Profit Corporation, certifies that the foregoing Resolution was approved and adopted by the Board, at a duly called and held meeting of the Board on (date) 6/24/10 and in witness thereof, the undersigned has subscribed his name.

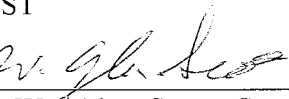
Elk Stream Ranch Property Owners Association, Inc.,  
a Colorado Non-Profit Corporation

By:

  
\_\_\_\_\_  
Stephen M. Boone, President

ATTEST

By:

  
\_\_\_\_\_  
W. Alan Scott, Secretary /  
Treasurer