

**THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY REGARDING DISPUTES BETWEEN THE ASSOCIATION AND OWNERS**

The purpose of this Policy is to provide an efficient means of resolving disputes between the Association and Owners, preferably through the use of Alternative Dispute Resolution means.

This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

DISPUTE RESOLUTION POLICY

1. Underlying many disputes is the need for both the Association and the Owners to truly be heard, treated fairly and with respect, and be recognized as having valuable input. Agreement by both parties that these 'needs', as well as the Association's Responsible Governance Policies, is the basis for meaningful discussions that end with a win-win solution for both parties.
2. In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors at a regularly scheduled Board Meeting to resolve the dispute informally by good faith negotiation and without need for litigation. Before meeting with the Board, the Owner shall submit in writing to the Board a letter setting out the dispute containing the specific details and/or description of the dispute. The letter shall also contain the name, address and telephone number of the owner(s). Commencing after the Board has received the Owner's written letter setting out the details of the dispute, the parties will attempt to resolve the dispute for thirty (30) days, or for such longer period as the parties may agree. Through good-faith negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. If the parties are not successful in resolving the dispute through negotiation, the Owner may submit the dispute to mediation within thirty (30) days from the end of the negotiation period. Mediation will be completed using a trained independent mediator familiar with the governance of common interest communities acceptable to both parties. If the Owner does not submit his/her dispute to mediation within the time provided, or does not appear for the mediation, the Owner will be deemed to have waived the dispute and the Board will be released and discharged from any and all liability arising out of the dispute. If a mutually acceptable resolution is reached as a result of negotiation or mediation, it will be documented in writing and signed by both parties.
3. If a mutually acceptable resolution is not reached, the parties may pursue other options as they may mutually agree upon or they may independently move the matter to a more formal process, including, but not limited to, arbitration or litigation. The provisions of this policy shall be in addition to and in supplement to the terms and provisions of the Declaration, Articles of Incorporation and Bylaws, as well as the laws of the State of Colorado governing the subdivision.
4. The Owner will bear any attendant expenses including, but not limited to, costs of copying and mailing, provided, however, if the parties utilize mediation, they shall split equally the costs of mediation, with each party bearing the cost of their own attorney's fees. In the event that an Owner fails to pay his/her share of the cost, the unpaid amount will be considered an assessment against that Owner's unit, and may be collected as provided in the Association policies, procedures, rules and regulations, and applicable Colorado law.
5. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

6. Nothing in this policy shall be considered as a prerequisite or condition precedent to litigation.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By:  _____, President