

**RESOLUTION OF THE
REDCLIFF TWO CONDOMINIUMS OWNERS ASSOCIATION, INC.**

ADOPTING PROCEDURES FOR RESOLUTION OF DISPUTES

Policy #6

- SUBJECT:** Adoption of a policy and procedures for alternative dispute resolution for RedCliff Two Condominiums Owners Association, Inc.; for disputes between the Association and an Owner.
- PURPOSE:** Meet the guidelines set forth under C.R.S. 38-33.3-124.
- AUTHORITY:** The Declaration of RedCliff Two Condominiums Owners Association (the "Declaration"), Articles of Incorporation and Bylaws of the Association, any amendments thereto (the "Governing Documents") and Colorado law.
- EFFECTIVE DATE:** NOVEMBER 22, 2021
- RESOLUTION:** In accordance with C.R.S 38-33.3-124, the Association hereby adopts the following procedures regarding resolutions of disputes between the Association and an Owner:
1. General Policy. In the event of any dispute between the Association and an Owner, except for those Exempted Claims defined, the Parties are encouraged to undertake an alternative dispute resolution procedure under the Colorado Dispute Resolution Act, C.R.S. 13-22-301 et seq. The Association and the Owner shall agree to resolve the dispute using the procedure set forth herein prior to filing suit in any court or initiating proceedings before any administrative tribunal.
 2. Exempt Claims. The following claims shall be exempt from the provision of the Policy.
 - a) Any action by the Association against an Owner to collect assessments for other sums due to the Association, including foreclosure proceedings; and
 - b) Any action by the Association to enforce any provisions of the Association's Declaration, Bylaws or Rules and Regulations.
 3. Procedures. All claims, other than the exempt claims, shall be resolved using the following procedures in lieu of litigation:
 - a) Notice. The Party having a claim ("Claimant") against the other Party ("Respondent") shall notify each Respondent in writing of the Claim ("Notice") stating:
 - (i) Nature of the Claim, including the time, date, location and persons involved and Respondent's role in the Claim.
 - (ii) The basis of the Claim (i.e. the provisions of this Declaration, Bylaws, Articles, Rules and Regulations or other authority out of which the Claim arises).
 - (iii) The result Claimant is seeking in resolution of the Claim.

(iv) That the Claimant wishes to resolve the Claim by mutual agreement with the Respondent and is willing to meet in person at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

b) Negotiation. The Parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.

c) Mediation.

(i) If the Parties do not resolve the Claim through negotiations within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of the Negotiations") Claimant shall have 30 additional days to submit the Claim to mediation by an independent mediation service agreed upon by both Parties.

(ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.

(iii) If the Parties do not settle the Claim within 45 days after submission of the matter to the mediation process or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse and the date that mediation was terminated.

d) Arbitration.

(i) If the Parties do not resolve the Claim through negotiation or mediation, within 30 days of the Termination of Mediation, the Claimant shall have an additional 15 days to submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned and the Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim, However, nothing herein shall release or discharge the Respondent from any liability to anyone not a party to the proceedings.

(ii) This Policy is an agreement of the Association and Owners to arbitrate all Claims, except Exempt Claims, and is specifically enforceable under the applicable arbitration law of the State of Colorado. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

4. Costs. If the Claim is resolved through negotiation, mediation or arbitration as provided above, each Party shall bear all of its own costs incurred in resolving the Claim, including its attorney fees and mediation/arbitration expenses, unless the Parties otherwise agree.

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 the 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 provision of this Resolution shall be in addition to and in supplement of the terms and provision of the Declaration and the law of the State of Colorado governing the Project.

8. Deviations. The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

9. Amendments. This Policy may be amended at any time by the Board of Directors.

BOARD OF DIRECTORS CERTIFICATION: See signature page.