THREE ELK CREEK ESTATES, INC.

POLICY 6 - POLICY FOR RESOLUTION OF DISPUTES WITH THE ASSOCIATION

Adopted February 22, 2010 ----Reviewed and Approved January 2023

The following procedures have been adopted by Three Elk Creek Estates, Inc. ("Association") pursuant to C.R.S. 38-33.3-124 and C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors ("Board").

Purpose: To adopt a policy setting forth the procedures for addressing disputes arising when an individual Member or a group of Members (singly or collectively the "Initiating Member(s)") of the Association dispute acts of the Board or of the Association Membership.

WHEREAS the General Assembly of the State of Colorado finds and declares (CRS 38-33.3-124) that the cost, complexity, and delay inherent in court proceedings make litigation a particularly inefficient means of resolving neighborhood disputes and whereas Association Member(s) may from time to time have disputes with the Association regarding the actions of the Board or of the Members,

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy for dispute resolution:

1. Dispute of Board Actions. When any Initiating Member(s) have a dispute arising from action or resolution of the Board, said Initiating Member(s) shall present the dispute to the Membership as a whole at a Meeting of Members for resolution, prior to attempting Mediation or Arbitration, or initiating legal action.

2. Dispute of Membership Actions. When any Initiating Member(s) have a dispute arising from action or resolution of the Members, including a dispute under paragraph 1 above, wherein an action or resolution of the Board was subsequently ratified by the Membership as a whole, the Association agrees, as a general policy, to submit the question to Mediation, under the Dispute Resolution Act, C.R.S. 13-22-301, *et seq*., and/or Arbitration, under the Uniform Arbitration Act, C.R.S. 13-22-201, *et seq*., pursuant to the agreement of the Initiating Member(s) to submit to Mediation and/or Arbitration, or "Med-arb" a merger of the two processes.

3. Selection of Mediator. If the parties are unable to agree upon a mediator/arbitrator, the issue shall be submitted to the District Court of the State of Colorado, Eleventh Judicial District, for the appointment of a mediator/arbitrator, in accordance with the provisions of C.R.S. 13-22-211.

4. Association Representation. The Board shall, at their sole discretion, select the parties to represent the Association in the Mediation, Arbitration and/or litigation processes. This representation may consist of: 1) the entire Board, 2) a subset of the Board, or 3) a committee of volunteers selected by the Board. The Board shall also, at their sole discretion, decide when and if outside counsel is required, and whom such counsel shall be.

5. Costs. In all matters which are resolved at the Mediation stage, the parties shall bear their own respective attorney fees and costs. In the case of matters that are resolved by Arbitration, the Association shall agree to stipulate that the arbitrator be empowered to award attorney fees and costs in accordance with the provisions of C.R.S. 38-33.3-123. As authorized by Bylaws Article 6, Section 2 d), notwithstanding Bylaws Article 6, Section 8, in the case of matters that are resolved either by Mediation or by Arbitration/litigation where costs are found in favor of the Initiating Member(s), the Board shall allocate funds from the Contingency fund (Bylaws Article 2, Section 5) to pay all required costs.

Three Elk Creek Estates, Inc.

By: Thomas A. Haier
President

Attest:

Candice K. Willett
Secretary

The Board adopted this Policy for Dispute Resolution on the 22nd day February, 2010, effective the 22nd day of February, 2010, and is attested to by the Secretary of Three Elk Creek Estates, Inc.

Candice K. Willett
Secretary