

DILLEY RANCH PROPERTY OWNERS ASSOCIATION, INC.

POLICY AND PROCEDURE
ALTERNATIVE DISPUTE RESOLUTION

Adopted: August 21, 2010

The following Policy and Procedure has been adopted by the Executive Board ("Board") of Dilley Ranch Property Owners Association, Inc. ("Association") for the encouragement of alternative dispute resolution practices.

Alternative Dispute Resolution. Finding that the cost and delay of litigation is often an inefficient means of resolving disputes within the community, the Association wishes to encourage the resolution of disputes through alternatives to litigation. The Association hereby adopts the following alternative dispute resolution policies and procedures:

1. With respect to disputes between Owners, the Association encourages the parties to seek remedies through procedures other than litigation, such as negotiation, facilitation, mediation or arbitration.
2. Except as provided in Section 3, when the Association is involved in a dispute with one or more Owners, the Board may pursue Alternative Dispute Resolution (ADR). Upon written notice delivered by the Association to the parties to such dispute, at their last known address, the parties, within thirty days after such notice is sent, will jointly agree to the appointment of and engage the services of an acceptable person or entity to conduct ADR. The parties shall share equally in the cost of such ADR process and shall abide by the procedures required by the person or entity engaged to conduct such ADR in order for such process to proceed without undue delay to resolution of the dispute.
3. Exceptions. Notwithstanding the above, the Association shall not engage in alternative dispute resolution for the following action, conditions or circumstances:
 - a. Any suit by the Association for recovery of one or more installments of unpaid assessments and other amounts due to the Association;
 - b. Any suit by the Association to obtain a temporary restraining order, injunction or such other ancillary relief as the court may deem necessary to preserve the Association's ability to act under and enforce the provisions of the Governing Documents;
 - c. Any suit exclusively between Owners, in which the Association is not a Party; or in any suit between Owners in which the Association has been

Com

named as a defendant; or in any suit between Owners in which the Association has chosen to intervene;

- d. Any suit in which the statute of limitations will expire within less than six (6) months. However, although not obligated, the Association may agree to engage in alternative dispute resolution that is conducted simultaneously to litigation;
- e. Under the circumstance where litigation is ongoing the Association shall not be required to engage in alternative dispute resolution procedures for new claims that may arise in conjunction with ongoing litigation.

SECRETARY'S
CERTIFICATION:

The undersigned, being the Secretary of Dilley Ranch Property Owners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association, at a duly called and held meeting of the Board on August 21, 2010 and it witness thereof, the undersigned has subscribed his/her name.

DILLEY RANCH PROPERTY OWNERS ASSOCIATION, INC.
a Colorado non-profit corporation

By: Claire McCutcheon
Secretary

Ccm