

**RESOLUTION 2006-21
OF THE BOARD OF DIRECTORS
PAGOSA LAKES PROPERTY OWNERS ASSOCIATION
DISPUTE RESOLUTION POLICY AND PROCEDURE**

WHEREAS; Senate Bill 05-100 was signed into law by the Governor of Colorado on June 6, 2005, and Senate Bill 06-089 was signed into law by the Governor of Colorado on May 26, 2006, and;

WHEREAS; In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic dispute resolution policy and procedure.

NOW THEREFORE, the Board of Directors of Pagosa Lakes Property Owners Association hereby adopts the following policy:

DISPUTE RESOLUTION POLICY AND PROCEDURE

Effective Date: January 1, 2007

The Association hereby adopts the following policies and procedures for dispute resolution:

1. Alternative Dispute Resolution Procedures. Alternative methods of dispute resolution to avoid litigation encouraged by the Board of Directors include negotiation and mediation. The Association encourages Owners or residents with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.

A. Required dispute resolution procedure. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or manager of the Association, an Owner must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the Association's manager. The Owner, in such request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's grievance. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 14 or more than 30 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.

B. Discretionary dispute resolution procedures. The procedures set forth below may be used in disputes between Owners and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

(i) **Negotiation.** A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

(ii) **Mediation.** If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 14 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

THEREFORE; BE IT RESOLVED Resolution 2006-21 was ADOPTED this 14th day of December 2006 by the PLPOA Board of Directors.

President's And Secretary's Certification: the undersigned, respectively being the President and Secretary of Pagosa Lakes Property Owners Association, a Colorado nonprofit corporation, certify that the foregoing Resolution 2006-21 was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 14 December, 2006, and in witness thereof, the undersigned have subscribed their names.

Pagosa Lakes Property Owners Association, a Colorado nonprofit corporation,

By: _____
Gary Gray, President

Attest:
By: _____
Leona F. Payne, Secretary