

**RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.
POLICY AND PROCEDURE
REGARDING ALTERNATIVE DISPUTE RESOLUTION**

Effective December 16, 2015

The following Policy and Procedure regarding alternative dispute resolution has been adopted by the Executive Board (“Board”) of Red Mountain Ranch of Gunnison County Association, Inc. (“Association”) pursuant to Colorado statutes.

1. Encourage Alternative Dispute Resolution. Because litigation is often an expensive and inefficient means of resolving disputes, the Association encourages the resolution of disputes through alternatives to litigation. The Association hereby adopts the following alternative dispute resolution policies and procedures:
 - (a) 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.
 - (b) Except as provided in Section 2, when the Association is involved in a dispute with one or more Owners, the Board, in its sole discretion, may elect to engage in alternative dispute resolution (including negotiation, facilitation, mediation or arbitration), if this is agreed to by all the parties to the dispute. However, under no circumstances shall the Association be required to participate in any alternative dispute resolution proceeding.
2. Exceptions. Notwithstanding the above, the Association shall not engage in alternative dispute resolution for the following actions, 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 other equitable relief to 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 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 required, the association may agree to engage in alternative dispute resolution that is conducted simultaneously to litigation;

- (e) under the circumstances 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 the litigation.

CERTIFICATION:

The undersigned, being the President of Red Mountain Ranch of Gunnison County Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing policy and procedure was approved and adopted by the Executive Board of the Association, at a duly convened meeting, open to the members to attend, on December 16, 2015.

RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC., a Colorado non-profit corporation

By: *Bill Lacy*
Name: Bill Lacy
Title: President