

**Procedure for Addressing Disputes Policy
Pine Cone Acres Homeowners Association, Inc.**

1. Dispute Resolution

Pine Cone Acres Homeowners Association (the “Association”) hereby establishes a Policy for addressing disputes arising between the Association, Owners, and/or between Owners.

- (a) Purpose: The Association believes that the relationships in our community may be damaged whenever litigation is used in order to resolve disputes, and that the inherent problems in court proceedings make litigation a particularly inefficient means of resolving community disagreements. As a result, the Association has adopted this policy to encourage the use of alternative methods for resolving disputes.
- (b) Goal: In the event of any dispute, if the situation does not involve unpaid Assessments or an imminent threat to the peace, health, or safety of the community, the Parties involved in the dispute should attempt to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding.
- (c) Policy: In the event of any dispute, the Parties are encouraged to attempt to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding. If both Parties to the dispute agree to attempt mediation, the dispute shall be mediated in accordance with the procedure described below.

2. Procedure to Begin Mediation

- (a) Requesting Mediation: The Party wishing to resolve a dispute will provide to the Board of Directors and each other Party to the dispute by registered mail with a written request describing:
 - (i) A description of the dispute, including the date, time, location and persons involved;
 - (ii) A description of the requested action or proposal that he/she feels would resolve the dispute; and
 - (iii) Times and dates that the requesting Party(ies) would be available to meet with the other Party(ies) to determine how to best resolve the dispute.
- (b) Negotiation: During the first 30 days after a Request is received, the Parties shall make reasonable good faith efforts to communicate directly with each other in an attempt to reach an agreement that serves the interests of all Parties.
- (c) If the Parties do not resolve the dispute by direct communication within 30 days of the date of receipt of the Request, the Parties must begin efforts to schedule mediation with a neutral Mediator.
- (d) Selecting a Mediator: The Parties shall select a mutually acceptable Mediator after 30 days of the date of receipt of the Request. Each Party will provide the other Party with the name of at least

one acceptable Mediator. If the Parties cannot reach agreement on whom to select as a Mediator, each Party shall select a representative, who will meet and appoint a neutral person to act as Mediator. If those representatives are not able to agree, the *Neighborhood Justice Center; an attorney recommended by the Community Association Institute or the mediation office in the basement of the El Paso County courthouse* will act as Mediator.

- (e) Scheduling Mediation: The Parties will each work directly with the Mediator to establish the date for the mediation. If the schedules of the Parties do not allow mediation to take place within 30 days of the date of receipt of the Request, then mediation will be scheduled by the Mediator at his/her first available date after the 30 days without regard to the schedules of the Parties. In the event either Party fail to cooperate with the selection and/or scheduling of mediation, the requesting Party(ies) may petition the Court to compel the defaulting Parties, who will be required to pay all costs and reasonable attorney fees incurred by the requesting Party(ies) to compel mediation.

3. Conduct of Mediation

- (a) Goal: If mediation is used, the Mediator will attempt to help the Parties reach an agreement, but will not make decisions for the Parties. If an agreement is reached during mediation, the Mediator will put the agreement in writing; the Parties must review same prior to leaving mediation, and approve the final version; and it will then be binding upon the Parties. If no agreement is reached, the entire mediation process will be confidential and may not be used by either Party for any reason whatsoever provided that the Party cooperates with the mediation process by complying with the procedure described above, including but not limited to attending mediation with the materials requested by the Mediator.
- (b) Cost of Mediation: The cost of mediation will be shared equally among the Parties unless they agree otherwise
- (c) Failure to comply with Agreement: If the Parties resolve any dispute through mediation and a Party fails to abide by the terms of the Agreement, the other Parties may use legal proceedings to enforce the Agreement. Additionally, the Party taking action to enforce the Agreement shall be entitled to recover from the other Parties all costs incurred in enforcing the Agreement, including without limitation, attorney fees and costs.

The Board may review this Procedure of Addressing Disputes Policy and update as needed.

PINE CONE ACRES HOMEOWNERS ASSOCIATION, INC.

Adopted this 27th day of October 2014