

FOUR PINES SUBDIVISION HOMEOWNERS ASSOCIATION RULE VIOLATIONS AND DISPUTE RESOLUTION POLICY

PURSUANT to the authority conferred upon it in the Declaration of Covenants, Conditions and Restrictions for Four Pines Subdivision, recorded in the Mesa County, Colorado real estate records on July 26, 2002 in Book 3119, at page 974, Reception No. 2067867 (the "Declaration"), the Board of Directors unanimously adopts the following Rule Violations and Dispute Resolution Policy ("Policy"). Capitalized terms in this Policy have the same meaning as in the Declaration unless specifically otherwise defined in this Policy. This Policy repeals and replaces in its entirety the Four Pines Homeowners Association Dispute Resolution Between Owners and Association policy previously adopted by the Association.

1. **General.** Except for: (a) collection and lien foreclosure actions against Owners, specifically including but not limited to actions under Article VI of the Declaration; (b) any action by the Association to enforce any provisions of the Declaration or any rules, regulations or policies adopted by the Association; or (c) any claim of the Association which, if not pursued by the filing of a lawsuit, would be deemed barred by the applicable statute of limitations; all actions, disputes or claims between any Owner(s), the Committee, the Association, and their respective agents, contractors, successors and assigns, whether in contract, tort or otherwise, shall be resolved by the procedures set forth in this Policy.

2. **Initial Notification; Negotiation.** For each claim governed by this Policy (a "Claim" in this Policy), the claimant ("Claimant" in this Policy) shall give notice to the other party or parties against whom the claim is asserted ("Respondent" in this Policy) by filling out the Association's Complaint Form, setting forth: (a) the nature of the Claim; (b) the basis or reason for the Claim; (c) any other material information regarding the Claim; (d) the specific relief and/or proposed remedy sought; and (e) the intent to invoke this Policy (the "Notice of Claim" in this Policy), which shall be delivered to Respondent. Claimant and Respondent shall use good faith efforts to resolve the Claim through negotiations following delivery of the Notice of Claim. If no resolution is reached, Claimant may request mediation in accordance with paragraph 3.

3. **Mediation.** The Claim shall first be mediated before a mediator jointly selected in good faith by the parties. If the parties cannot agree, then each party shall select a mediator who together shall select a third mediator who shall mediate the dispute. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute formally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The mediation shall occur within thirty (30) days following delivery of the Notice of Claim (the "Mediation Period" in this Policy). Mediation shall be a condition precedent to the filing of a lawsuit. In the event Claimant does not appear for mediation, Claimant shall be deemed to have irrevocably waived the Claim, and Respondent shall be released from any and all liability to Claimant on account of the Claim. If mediation is successful, the resolution shall be documented in writing and signed by the parties and the Claimant and Respondent shall share equally in the mediation costs and pay their own attorney fees, if any. Thereafter, if either party violates the resolution, the other party may apply immediately to a court for relief. The mediation, unless otherwise agreed, shall terminate if the entire dispute is not

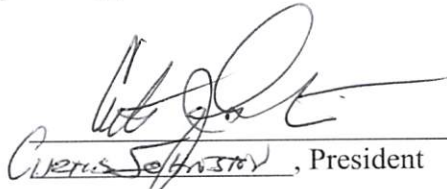
resolved before the expiration of the Mediation Period. If mediation is unsuccessful Claimant may bring an action in County Court in Mesa County within sixty (60) days following the expiration of the Mediation Period. If no action is filed within the specified time, Claimant irrevocably waives the Claim and any and all right to proceed to litigation regarding the Claim. If the matter is not settled by mediation and proceeds to litigation, the losing party in the litigation shall pay the prevailing party's portion of the mediation costs.

4. Appeal of Covenant Violation. Notwithstanding anything in this Policy that may be construed to the contrary, an Owner may appeal a decision of the Board of Directors made in accordance with the Association's Covenant Enforcement Policy and Procedure by requesting that the decision be mediated in accordance with paragraph 3.

5. Limitation of Remedies. Every party subject to this Policy disclaims and waives any claims for the following remedies and damages for any matters related to any Claim, whether a Claim is made on the basis of contract, tort or any other theory or basis at law or in equity: (a) punitive or exemplary damages; (b) claims for emotional distress or pain and suffering; and (c) claims for incidental and/or consequential damages (except as may otherwise be provided in the Declaration).


6. Attorney Fees and Jury Waiver. Except as provided in paragraph 3, in the event of any dispute, the substantially prevailing party shall be entitled to recover its reasonable costs and attorney fees, including post-judgment collection costs, in addition to actual damages. All parties subject to this Policy waive the right to a jury to the maximum extent permitted by applicable law.

ADOPTED AND EFFECTIVE the 16th day of May, 2018

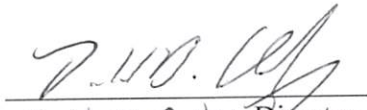


Curtis Selinger, President

APPROVED:



Mike Foster, Director
Secretary



Todd D. Orley, Director
Treasurer

_____, Director