

POLICY
OF PENRITH PARK HOMEOWNERS ASSOCIATION, INC.
REGARDING ALTERNATIVE DISPUTE RESOLUTION (ADR)

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

PURPOSE: To adopt a standard procedure to be followed for alternative dispute resolution. **AUTHORITY:** The Declaration, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: 4/1/23

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

(1) Disputes between Association and Owners. In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request. For disputes between the Association and Owner(s), nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party.

(2) Disputes between an Owner or the Association against the Declarant, a Contractor, or a Design Consultant.

(a) Mandatory Arbitration. All claims by an Owner or the Association against the Declarant, a Contractor, or a Design Consultant (individually, an "Applicable Party"), or any affiliate, agent, employee, executing officer, manager, or owner of an Applicable Party, which an Owner, or the Association or any other Person may have arising from or in any way related to the sale, design, or construction of a Lot or Lots and the Improvements thereon, or the Common Elements (a "Dispute") shall be submitted to final and binding arbitration.

(b) Owner approval for Association Commencement of a Dispute. The Association may not commence a legal proceeding claiming a Dispute without the first having obtained the affirmative vote or agreement of Owners holding at least sixty-seven percent (67%) of votes in the Association.

(c) Applicable Disputes. Disputes subject to binding arbitration include, but are not limited to:

(i) Any disagreement, claim or action that a condition of the Lot, the Improvements thereon or of the Common Elements is a construction defect;

(ii) Any disagreement as to whether a construction defect has been corrected in compliance with any written limited warranty agreement provided by or issued on behalf of Declarant (a "Limited Warranty");

(iii) Any alleged breach of a Limited Warranty; (iv) Any alleged violations of consumer protection, unfair trade practice, or other statutes;

(v) Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and all other claims arising in equity or from common law;

(vi) Any disputes concerning the issues that should be submitted to binding arbitration.

(vii) Any disputes concerning timeliness of performance and notifications under a Limited Warranty; (viii) Any dispute as to the payment or reimbursement of the arbitration filing fee;

(ix) Any dispute as to whether a Limited Warranty, or any provision thereof, including, but not limited to any waiver under such Limited Warranty, is unenforceable;


(x) Any other claim arising out of or relating to the sale, design, or construction of the Lot and the Improvements thereon, or the Common Elements, including, but not limited to any claim arising out of, relating to, or based on any implied warranty or claim for negligence or strict liability.

(d) Arbitration Procedure. Any initiated arbitration shall be conducted pursuant to the procedure set forth in Article XII, Section 1 of the Declaration.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Penrith Park Homeowners Association, Inc. , a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on March 31, 2023 and in witness thereof, the undersigned has subscribed his/her name.

Penrith Park Homeowners Association, Inc.,

a Colorado nonprofit corporation

By:  Its: President