

**RESOLUTION
OF THE
MOUNTAIN VILLAGE OWNERS ASSOCIATION
REGARDING PROCEDURES FOR ALTERNATIVE DISPUTE RESOLUTION**

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: March 28, 2007

RESOLUTION

The Association hereby adopts the following policy and procedure regarding alternative dispute resolution.

1. General Policy. In the event of any dispute between the Association and a member, except for those Exempted Claims defined below, the Association and member shall agree to resolve the dispute using the procedures set forth below.
2. Exempt Claims. The following claims are exempt from the provisions of this Policy:
 - (a) Any action by the Association against a member to collect assessments or other sums due to the Association, including foreclosure proceedings; and
 - (b) Any action by the Association to enforce any provisions of the Association's Declaration, Bylaws or rules and regulations; and
 - (c) Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations; and
 - (d) Any claim between or among Members where the Association is not a party to the dispute.

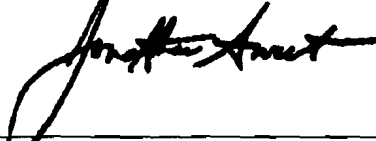
3. Procedures for All Other Claims. All claims other than Exempt Claims shall be resolved using the following procedures in lieu of litigation:
 - (a) The Association having a claim against a member or any member having a claim against the Association (“**Claimant**”), other than an Exempt Claim, shall notify the party against whom the claim is lodged (“**Respondent**”) in writing of the Claim (“**Notice**”), stating: (i) the nature of the Claim, including the date, time, location, persons involved and Respondent’s role in the Claim; (ii) the basis of the Claim (i.e. the provision of the Declaration, the Bylaws, the Articles, rules or regulation or other authority out of which the Claim arises); and (iii) what Claimant wants Respondent to do or not do to resolve the Claim.
 - (b) The parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.
 - (c) If the parties do not resolve the Claim through negotiation, as provided for above, within thirty (30) days of the date of the Notice, the Claimant shall then have fifteen (15) additional days to submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim. However, nothing herein shall release or discharge Respondent from any liability to anyone not a party to the proceedings.
4. This Resolution and procedure constitutes an agreement of the Association and all members to arbitrate all Claims, except Exempt Claims, and is specifically enforceable under the applicable laws of the State of Colorado. The arbitration shall be final and binding and judgment may be entered upon the parties in the District Court for San Miguel County, State of Colorado.
5. Costs. If the Claims are resolved through negotiations, each party shall bear all of its own costs incurred in resolving the Claim, including its attorney fees. If the Claims are not resolved through negotiation and the Claim goes to arbitration, the prevailing party shall receive as a part of its award from the opposing party all of its costs, including attorney fees, costs for other representatives in resolving the Claim, and any expenses incurred as a result of the dispute resolution procedures of this Policy.
6. Venue. The provisions of this Resolution shall be governed by and interpreted in accordance with the laws of the State of Colorado. Exclusive jurisdiction and venue for any legal proceeding related to this Resolution shall be in the District Court for San Miguel County.
7. Failure to Comply with Settlement. If the parties resolve any Claim through negotiation or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this Policy. In such event, the party taking action to enforce the agreement

or award shall be entitled to recover from the non-complying party all costs incurred in enforcing such agreement or award, including without limitation, attorney fees and costs.

8. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
9. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.
10. Amendment. This policy may be amended from time to time by the Board of Directors.

IN WITNESS, the undersigned certifies that this Resolution was adopted by the Board of Directors of the Association on March 28, 2007.

By:



Jonathan Sweet, President