

SAMPLE COMMON INTEREST COMMUNITY ASSOCIATION  
DISPUTE RESOLUTION POLICY

**RESOLUTION  
OF THE  
\_\_\_\_\_ ASSOCIATION  
REGARDING DISPUTE RESOLUTION POLICY AND PROCEDURES**

**SUBJECT:** Adoption of dispute resolution policy and procedures

**PURPOSE:** Adopt policy that establishes procedures for addressing disputes arising between the Association and unit owners (and between unit owners).

**AUTHORITY:** The Declaration, Articles and Bylaws of the Association and Colorado Law

**EFFECTIVE DATE:** \_\_\_\_\_

**RESOLUTION:** The \_\_\_\_\_ Association (“Association”) hereby adopts the following Policy and Procedures:

1. Background. The Association believes that the cost, complexity, and delay inherent in court proceedings make litigation a particularly inefficient means of resolving neighborhood disagreements. Further, relationships in our community may be damaged through use of adversarial means of resolving disputes. Accordingly, the Association encourages the use of alternative methods for resolving disputes.
  
2. General Policy. In the event of any dispute between the Association and Unit Owners (and disputes between individual Unit Owners) in situations that do not involve an imminent threat to the peace, health, or safety of the community, the Association and unit owner(s) involved in the dispute shall work to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding. For each of the resolution processes, Colorado law governs the process and the parties do not waive their right to employ legal counsel at their own expense to assist them.

[“Exempt Disputes” paragraph may be inserted as paragraph 3 if desired by HOA]

3. Procedures for Resolving Disputes.
  - a. The Association or any Owner wishing to resolve a dispute (“Initiating Party”) will provide each other Party to the dispute with a written request (“Request for Resolution”) describing:
    - i. the nature of the dispute, including the date, time, location, persons involved, and the other party’s or parties’ role in the dispute; [and]
    - ii. a request for what the Initiating party would like the other party or parties to do or not do to resolve the dispute; and
    - iii. times and dates that the Initiating Party may be available to communicate directly with the other party or parties to discuss in good faith ways to resolve the dispute.

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- b. Negotiation. The parties are encouraged to make reasonable efforts to communicate directly with each other in an attempt to reach an agreement that serves the interests of all parties prior to initiating any other dispute resolution procedures.
- c. Mediation
- i. Beginning the process. Unless otherwise agreed, if the parties do not resolve the dispute within 20 business days of the date of receipt of the “Request for Resolution”, the parties will begin efforts to schedule a mediation session with a trained, neutral mediator to assist them in reaching their own solution. The mediator will facilitate the process but will not make decisions for the parties. The parties shall meet with the mediator within 60 days of the date of receipt of the Request for Resolution.
- ii. Selecting a mediator. Unless otherwise agreed, the parties shall select a mutually acceptable mediator within thirty (30) business days of the date of receipt of the Request for Resolution. Each party will provide the other(s) with the name of at least one acceptable mediator. If the parties cannot reach agreement on who to select as a mediator, [the services of (*name of mediation organization or mediator*) will be utilized] [a mediator shall be appointed by (*third party or parties*)]. The parties will work with the mediator to establish the date for the mediation meeting. The cost of mediation will be shared equally among the parties unless they agree otherwise.
- iii. Documentation of mediation. The mediator shall provide the parties [and the Association if the Association is not a party] with documentation noting who attended and that the mediation occurred.
- [d. Arbitration.
- i. Beginning the process. If the parties do not resolve the dispute through mediation, any party may begin efforts to schedule a binding arbitration with a trained, neutral arbitrator who will decide the outcome of the dispute based on evidence and testimony provided by the parties. The parties agree to accept the decision of the arbitrator as final and binding on them to the fullest extent permitted under the laws of Colorado. Judgment may be enforced in any court having jurisdiction.
- ii. Selecting an arbitrator. The parties shall mutually agree on an arbitrator. The cost of arbitration will be shared equally among the parties unless they agree otherwise. Unless otherwise agreed, the parties shall select a mutually acceptable arbitrator within thirty (30) business days of the completion of mediation. Each party will provide the other(s) with the name of at least one acceptable arbitrator. If the parties cannot reach agreement on who to select as an arbitrator, [the services of (*name of arbitration organization or arbitrator*) will be utilized] [an arbitrator shall be

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appointed by (third party or parties)]. The parties will work with the arbitrator to establish the date(s) for the arbitration. The cost of arbitration will be shared equally among the parties unless they agree otherwise. The arbitrator shall have authority to require one party to pay all or a portion of the other party's legal fees to the extent such an award is permissible under law. ]

iii. Arbitration Award. The Arbitrator shall provide the parties [and the Association if the Association is not a party] with an award including findings of fact and conclusions. ]

4. Failure to comply with Agreement or Award. If the parties resolve any dispute through mediation[, or arbitration], and a party or parties fails to abide by the terms of the agreement or award, the other party may initiate legal proceedings to enforce the agreement or award without need to comply with the provisions of this Policy. Additionally, the party taking action to enforce the agreement or award shall, if that party prevails, be entitled to recover from the non-complying party all costs incurred in enforcing the agreement or Award, including without limitation, attorney fees and costs.

5. Amendment. This policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S CERTIFICATION:**

The undersigned, the President of the \_\_\_\_\_ Association, a certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, the undersigned has subscribed his/her name.

\_\_\_\_\_ Association  
a Colorado non-profit corporation

By: \_\_\_\_\_  
President