

ORCHARD RUN SUBDIVISION
POLICY REGARDING DISPUTES AND CONFLICTS BETWEEN
ASSOCIATION MEMBERS AND THE ASSOCIATION

Section 1. Any member of the Association may file a written complaint alleging that a violation of the Declaration, Bylaws, Rules and Regulations or Policies of the Association (hereinafter the "Association's governing documents") has occurred by the Association or by the Board of Directors, by providing a written notice thereof addressed to the Board of Directors and hand delivered to any Board member or to the Association's registered office. Said notice shall state the facts upon which the alleged violation is based and refer to the specific section in the Association's governing documents that allegedly has been violated. The notice shall state the name and address of the member making the complaint and include any documentation substantiating such violation.

Section 2 If a committee of the Association (such as the Architectural Control Committee) is alleged to have violated the Association documents, the Board of Directors shall decide the issue. If the complaint alleges that the Board of Directors, itself, has violated the Association's governing documents, the Board shall issue a written notice to all members of the Association seeking volunteers to serve as the governing body deciding the issue. Such members shall not be related to any party and shall not be biased for or against any party. The names of such members shall be put in a hat and three members shall be selected and shall serve as the governing body deciding the issue

Section 3. Thereafter, the Board, or the governing body, as the case may be, shall meet in a timely manner, not to exceed 30 days, to determine whether a violation has or has not occurred, based on the facts as stated in the notice. The governing body may request additional information, documents or clarification from the alleging member regarding the alleged violation

(a) If the Board or governing body determines that no violation has occurred, or that no action will be taken notwithstanding that a violation has occurred, the body deciding the issue shall so notify the member alleging a violation, in writing. Such notice shall be sent via first class mail, hand delivered, or e-mailed to the member alleging a violation, and shall state the reasons for such decision, and a copy shall be sent to the Board if the governing body decides the issue. Upon receipt of such notice, the member alleging a violation may take such action as allowed herein. The alleged violation and the response by the Board or governing body shall be stated in the Board minutes .

(b) If the Board or governing body deciding the issue determines that a violation has, or may have occurred, it shall then confer with the member alleging a violation to schedule a hearing to determine the matter. The hearing on such

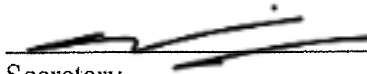
matter shall be set within a reasonable time, depending on the urgency of the matter. Generally a hearing should occur within 7 to 21 days from the date of the notice. Once the hearing has been scheduled, the Board or body deciding the issue shall cause written notice to be sent to the member alleging a violation (and the Board, if necessary), confirming the date, time and place of the hearing. At the hearing, the member shall present his/her evidence and case, and thereafter the responding party (either another member of the Association, the Board, or both, as the case may be) shall present its evidence and case. The member alleging the violation may then present rebuttal evidence. The body deciding the issue shall determine what evidence will be allowed, but the strict rules of evidence shall not be enforced. Any party may request a continuance of the hearing for good cause shown, which shall be liberally granted. The body deciding the issue and the parties shall coordinate the date for the continued hearing.

(c) At the conclusion of the hearing, the body deciding the issue shall deliberate and may announce its decision at that time, or take the matter under advisement. All decisions by the body deciding the issue shall be by a majority vote of those in attendance and eligible to vote. The body deciding the issue shall issue a written order including its findings of fact and conclusions. If the Board is the body deciding the issue and it determines that a violation has occurred, it will attempt to correct the violation, if possible.

(d) Any party may appeal the decision of the body deciding the dispute by filing a proceeding at law or in equity in the appropriate court in Mesa County, Colorado. Such decision shall be final and non-appealable. The prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees.

Section 4. Nothing contained herein shall prevent the body deciding the issue from using any other means to resolve disputes between the Association and a member or between members.

Adopted on _____



Secretary