

SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCEDURES
SUMMARY OF ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

Internal Dispute Resolution
(Civil Code §§ 5900 - 5920)

Pursuant to *Civil Code* § 5905, the Association is required to provide a fair, reasonable and expeditious dispute resolution procedure. The Association adopts the following Internal Dispute Resolution Procedure to apply to disputes between the Association and an Owner regarding their respective rights, duties or liabilities pursuant to the Davis-Stirling Common Interest Development Act, the Non-Profit Mutual Benefit Corporation Law, or the Association's Governing Documents:

1. The party may request, in writing, that the other party meet and confer in an effort to resolve the dispute.
2. A Member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
3. The party receiving a request must respond within a reasonable time and in no event later than 15 business days after the request is mailed. If a Member does not respond within this time frame that Member will be deemed to have rejected the request.
4. If the request is accepted, the parties shall, in good faith, coordinate the meeting to take place within 30 days of acceptance at a mutually convenient time and place. If, through no fault of the Association, the parties are unable to schedule the meeting within this time frame, the requirements of Civil Code Section 5900 et. seq. will be deemed to have been met unless the parties mutually agree to extend this time frame.
5. The Association's board of directors may designate a member or members of the board to meet and confer with the Member. The Association's community manager, relevant expert and/or legal counsel may attend the meeting at the Association's sole cost. If the Association intends to have legal counsel present at the meeting, the Member shall be advised at least 10 days prior to the meeting.
6. The Member may be assisted at the meeting by an attorney or other person at the Member's sole cost. If the Member intends to have an attorney present at the meeting, the Member must advise the Association at least 10 days in advance of the meeting. If the Member does not provide this required notice and attends the meeting with an attorney, the meeting will not take place. Thereafter the Association will have the right to either reschedule the meeting or determine the requirements to have been fulfilled without a subsequent meeting.
7. At the meeting the parties shall explain their positions to each other, and confer in good faith in an effort to resolve the dispute. Discussions at the meeting are not confidential unless all attendees sign a confidentiality agreement.
8. A resolution of the dispute reached at the meeting binds the parties and is judicially enforceable if the following conditions are satisfied:

- i. The agreement is not in conflict with the law or the Governing Documents of the Association.
 - ii. The agreement is either consistent with the authority granted by the Board of Directors to its designee(s) or the agreement is ratified by the board of directors.
 - iii. The agreement is in writing and is signed by all parties, including the Board designee(s).
9. A member of the Association may not be charged a fee by the Association to participate in the IDR process. The parties may mutually agree to make use of local dispute resolution programs. If these programs are agreed to by the parties, the parties shall split the costs thereof.
10. The Association is not obligated to agree to use a mediator for IDR or to contribute towards any of the costs of that mediator and will not do so, unless agreed to in writing, in advance.

Alternative Dispute Resolution (ADR)
(Civil Code §§ 5925 - 5965)

Each year, pursuant to *Civil Code* § 5965, the Association is required to notify the Owners of the requirements for Alternative Dispute Resolution (“ADR”) for disputes regarding the enforcement of the Davis-Stirling Common Interest Development Act (*Civil Code* §§ 4000 - 6150), the Nonprofit Mutual Benefit Corporation Law (*Corporations Code* §§ 7110 - 8910) or the Governing Documents of the Association. ADR means mediation, arbitration, conciliation or other non-judicial procedure that involves a neutral party in the decision-making process, and may be binding or non-binding with the voluntary consent of the parties.

Prior to an Owner or the Association filing an enforcement action in the Superior Court solely for declaratory, injunctive or writ relief, or for relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in *Code of Civil Procedure* §§ 116.220 and 116.221, the parties shall have endeavored to submit their dispute to alternative dispute resolution. [*Civil Code* § 5930] The pre-litigation ADR requirement does not apply to small claims actions or an assessment dispute except as otherwise provided by law. Any party to the dispute may initiate the process by serving on all other parties in the dispute a Request for Resolution by ADR. The Request for Resolution must contain: (1) a brief description of the dispute between the parties; (2) a request for alternative dispute resolution; and (3) a notice that the party receiving the Request for Resolution is required to respond within thirty (30) days of receipt or the request will be deemed rejected. The Request for Resolution must be served by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide actual notice of the Request. A copy of the following Civil Code sections must accompany the Request.

The Association is required to provide the following language with this summary:

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member’s right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.