

MUTUAL ADMINISTRATION**Internal Dispute Resolution – IDR (Mutual Twelve)**

In accordance with *Civil Code* Sections 5900 through 5920, the Mutual has adopted the following “Internal Dispute Resolution” (IDR) process to be followed by the Mutual and members in connection with disputes relating to the enforcement of the Mutual’s governing documents, the Davis-Stirling Common Interest Development Act (*Civil Code* Section 4000 et seq.) and Section 7110 et seq. of the Nonprofit Mutual Benefit Corporation Code (the “Disputes” or “a Dispute”). In accordance with *Civil Code* Section 5905, the Board provides this procedure for resolving Disputes in a “fair, reasonable and expeditious” manner allowing the parties to “meet and confer” without charging a fee to the member to participate in the process.

Either party to a Dispute may invoke the following procedure:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member may refuse a request to meet and confer. The Mutual may not refuse a request to meet and confer.
- (3) The Mutual's Board shall designate a director to meet and confer with the member.
- (4) The parties shall meet promptly at a mutually convenient time and place within 30 days after the date of receipt of the request, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The member and the Mutual may be assisted by an attorney or another person in explaining their positions at their own cost.¹
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designees on behalf of the Mutual. Any proposed resolution that is beyond the scope of authority of the Mutual Board designees shall be brought before at least a quorum of the Mutual Board for consideration no later than the next regular monthly meeting.
- (6) The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with law or the governing documents of the common interest development or Mutual; and (b)

¹ A member intending to bring an attorney or another person to assist the member at the IDR meeting shall provide the Mutual with at least ten days’ prior written notice of such intent. In the event a member appears at an IDR meeting with an attorney or another person to assist the member without having given prior notice, the Mutual representatives may reschedule the IDR meeting in order for the Mutual’s legal counsel to also attend.

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The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

MUTUAL ADOPTION

AMENDMENTS

TWELVE: 07-09-15