

MUTUAL OPERATIONS**MUTUAL ADMINISTRATION****Internal Dispute Resolution – IDR – Mutual Five**

California Civil Code §5910 and §5915 provides that the Mutual Boards shall provide a “fair, reasonable and expeditious” procedure for resolving disputes between the Mutual and its shareholders without charging a fee to the shareholder participating in the process. The process is referred to as “Internal Dispute Resolution” (IDR) or “Meet and Confer.”

- (1) The shareholder may request the Mutual Board to meet and confer in an effort to resolve a dispute. The request shall be in writing.
- (2) Shareholders may refuse a request to meet and confer with the Board of Directors. The Board of Directors may not refuse a request to meet and confer with the shareholders.
- (3) The Board of Directors shall designate a minimum of two (2) Board Directors to meet and confer with the shareholder. The shareholder may bring another person and/or legal representative to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place to explain their positions to each other in an effort to resolve the dispute.
- (5) Any proposed resolution of the dispute shall be memorialized in writing and brought to the next Mutual Monthly Meeting for the Board’s consideration and final approval.
- (6) All such IDRs are considered to be confidential and may only be discussed in Executive Session.
- (7) Any final agreement between the Board of Directors and the shareholders shall be in writing and signed by all parties.

MUTUAL ADOPTION

FIVE: 12-2-16

(Dec 16)