

**VARSITY PARK SOUTH HOA
HOMEOWNERS ASSOCIATION
DISPUTE RESOLUTION DISCLOSURE**

Internal Dispute Resolution Procedure

In the event of a dispute between an Owner and the Board of Directors, either party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing.

The Owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

The Board of Directors shall designate one or more members of the Board to meet and confer.

The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

A resolution of the dispute agreed by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

An agreement reached under this procedure binds the parties and is judicially enforceable if both of the following conditions are satisfied:

1. The agreement is not in conflict with law or the governing documents of the Association;
and
2. 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.

An Owner may not be charged a fee to participate in the dispute resolution procedure.

Alternative Dispute Resolution

The term "alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedures that involve a neutral party in the decision making process. The form of alternative dispute resolution may be binding or nonbinding, with the voluntary consent of the parties.

The term "enforcement action" means a civil action or proceeding other than a cross-complaint.

Neither the Association nor any owner may file an enforcement action in superior court unless the parties have attempted to submit the dispute to alternative dispute resolution. This applies to only to enforcement actions that are solely for declaratory, injunctive, or writ relief, or for that

relief in connection with a claim for monetary damages not in excess of \$5,000. This restriction does not apply to small claims court actions.

A party to a dispute may initiate the alternative dispute resolution process by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

1. A brief description of the dispute between the parties.
2. A request for alternative dispute resolution.
3. A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
4. If the party on whom the request is served is an owner, a copy of Civil Code Sections 1369.510 through 1369.590.

The Request for Resolution must be by personal service, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served with actual notice of the request.

A party on whom the Request for Resolution has 30 days to accept or reject the request. If a party does not accept the request within 30 days, the request will be deemed rejected by the party.

If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless the period is extended by written agreement signed by both parties.

The costs of the alternative dispute resolution will be borne by the parties.

In an enforcement action in which attorneys' fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

WARNING: FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.