



NEIGHBOR-TO-NEIGHBOR DISPUTE RESOLUTION POLICY

LAKE FOREST II MASTER HOMEOWNERS ASSOCIATION

This "Neighbor-to-Neighbor Dispute Resolution Policy" establishes a prerequisite to the involvement of the Lake Forest II Master Homeowners Association ("**Association**") in certain, limited "Neighbor-to-Neighbor Disputes." Nothing herein is intended to be construed as an attempt to relieve the Association or the Board of Directors ("**Board**") from any of its duties under the Association's Governing Documents. This Policy has been adopted pursuant to the Board's rule-making powers set forth in Civil Code § 4355.

DEFINITIONS

1. "**Neighbor-to-Neighbor Dispute**" shall mean a dispute or complaint lodged by one Resident or Owner against another Resident or Owner which, in the Board's sole discretion, does not impact the Association or its membership more broadly.
2. "**ADR**" shall mean Alternative Dispute Resolution; specifically, mediation or arbitration as defined in Civil Code § 5925.
3. "**Written Certification**" shall mean a letter signed by the disputing parties, certifying that (a) one party requested the other party to submit the dispute to ADR, and (b) either ADR was completed or the other party refused to submit the dispute to ADR.

POLICY TERMS

1. When a dispute or complaint is brought to the Board regarding interpretation of rights under, or enforcement of, the Governing Documents, the Board shall, at its next scheduled meeting, discuss the complaint or dispute and make a reasonable business judgment decision as to whether or not it constitutes a Neighbor-to-Neighbor Dispute. That decision will be based upon the Board's evaluation of the particular facts and circumstances surrounding the dispute and the affected parties. The Board may consult with the Association's legal counsel in making its decision.
2. If the Board finds that the complaint or dispute constitutes a Neighbor-to-Neighbor Dispute, it shall notify the complaining/disputing party or parties of its decision.
3. The parties to the Neighbor-to-Neighbor Dispute shall then be required to use their best efforts to submit their dispute to ADR prior to seeking Association involvement in resolving the dispute. For ADR, this may be accomplished by the complaining party serving the other (responding) party or parties with a "Request for Resolution" in accordance with Civil Code § 5935.
4. Upon receiving written certification evidencing that the parties first attempted to resolve the Neighbor-to-Neighbor Dispute through ADR, the Board shall determine: (a) whether a violation of the Governing Documents exists which requires Association action, (b) whether Association enforcement is required under the particular circumstances and, if so, (c) the action to be taken by the Association in accordance with the Association's enforcement policies and procedures.

**THIS POLICY SHALL BE INAPPLICABLE TO ANY COMPLAINTS
OTHER THAN NEIGHBOR-TO-NEIGHBOR DISPUTES**