<u>Leisure World Community Corporation Dispute Resolution Policy</u>

This document establishes a formal procedure by which the Leisure World Community Corporation can guarantee that attention is paid to concerns as they arise and that will aid in resolving disputes internally when possible. The Board of Directors of the Leisure World Community Corporation (LWCC) is the governing body that establishes policies and addresses complaints affecting the Leisure World community. The process described below applies to disputes of residents, owners or mutuals with the various organizations related to Leisure World as a community that fall under the purview of the Board of Directors of the Leisure World Community Corporation (LWCC). These organizations are:

- a) LWCC Board of Directors
- b) Leisure World of Maryland Corporation (LWMC)
- c) Advisory Committees that are chartered by the LWCC Board
- d) Sub-committees created by LW Advisory Committees
- e) Ad Hoc committees and other organizations created by the LWCC Board

Disputes between individual residents, between residents and their mutual, between clubs or between clubs and their members are not the responsibility of LWCC, and are not covered by this procedure. If a resident or owner has a complaint related to an individual Mutual the complaint should be brought to the attention of the appropriate Mutual's Board of Directors for action.

Experience suggests the sequence of (a) negotiation, (b) mediation and (c) arbitration is the most effective framework for dispute resolution. Because the LWCC Board of Directors is comprised of volunteers, and mediation and arbitration are best done with professional mediators or legally constituted organizations empowered to arbitrate, the internal dispute resolution policy established here is restricted to negotiation. If the sequence of levels of negotiation provided by this process fails to adequately resolve a dispute, the complaining party may seek redress through the facilities and avenues available from the Commission on Common Ownership Communities (CCOC) of Montgomery County, Maryland.

Disputes between parties expose emotions and also the sense of dignity is exposed and vulnerable when formal complaints are lodged. The negotiation process must focus on the issues of concern. All parties will be expected to address those issues and not personalities, or personal opinions. The negotiation meetings needed as part of this process will be open meetings that any resident or unit owner is welcome to attend as an observer except when items in dispute fall under the guidelines for closed meetings of boards stated in Section 11B-111.(4) of the Maryland Homeowners Association Act.

Disputants are free to seek advice of legal counsel, but lawyers may not be brought into the direct process of the internal Leisure World dispute resolution

process. That process is to be negotiation between the complaining party and the parties with which the complainant has an issue.

Whenever possible a resident or owner having a concern should first bring it to the attention of the party at issue before filing a formal complaint to initiate the internal dispute resolution process. Many issues can be resolved by such direct expression of concern and appropriate response by the party addressed. If this initial effort has been made and has not been acceptably dealt with, then filing a formal complaint to initiate the dispute resolution process is the thing to do.

Leisure World Community Corporation Dispute Resolution Procedure

Step 1.

If the concern is with an action of an agent of the Leisure World of Maryland Corporation (LWMC), the concerned party should raise the concern directly with the appropriate office of LWMC.

Complaints from community members concerning community policies, operations and facilities operated by LWCC should first be raised at a meeting of the appropriate LWCC Advisory Committee, Sub-Committee, Ad Hoc Committee or the LWCC Board of Directors. The complainant shall contact the chair of the appropriate entity to request the issue be placed on the agenda of the next scheduled meeting and that the complainant be invited to speak to the issue when that agenda item is to be discussed. The entity with which the complainant has an issue may be able to resolve the matter if it is given such formal consideration. The complainant must realize that if the request to have a concern presented as an agenda item is made after the agenda has been set for a meeting, the concern may need to be placed on the agenda of the next meeting of the entity addressed.

Step 2.

If the complainant feels that the concerns were not adequately addressed by the entity to whom the complaint was presented, the complainant may formally request LWCC Dispute Resolution in writing. A letter should be addressed to the Board of Directors, The Leisure World Community Corporation, stating the following:

- a) Contact information Name, address, Mutual and phone number.
- b) Complaint Title The subject title of the complaint or issue
- c) Summary A short explanation of the complaint.
- d) Remedy A suggested solution that would satisfy the complainant.
- e) Attachments Detailed facts of the complaint with all dates, references and correspondence.

<u>Step 3.</u>

The complaint letter will be received by the chair or vice chair of the LWCC Board of Directors who will determine if the issue is for LWMC or LWCC to resolve and that the complainant has followed the procedures specified in step 1. An acknowledgement of receipt will be sent within seven business days indicating the assignment of the complaint to one of the following three choices:

- a) It is a LWMC issue. In this case the letter requesting action will be given to the appropriate LWMC officer. Management may request a meeting with the complainant in considering their response and management will act on the complaint and report their response to the complainant (with a copy to the LWCC Board of Directors) within 30 days. If the response does not provide an acceptable solution, the complainant can request that the LWCC Executive Committee hear the complaint. This request must be made within 30 days of the complainant receiving the response from management that is deemed unsatisfactory.
- b) It is a complaint on a governance or policy issue. The LWCC Executive Committee will arrange a hearing, to be held within 30 days at a mutually acceptable time, to review the complaint and to attempt to seek a reasonable solution in an informal non-adversarial process.
- c) The complainant has not followed the procedures in step 1. The complainant shall be instructed to do so.

Step 4.

Hearings held by the LWCC Executive Committee for the resolution of disputes will be informal, with all participants given an opportunity to speak. The agenda for such a hearing will be restricted exclusively to the contents of the written complaint unless other related written information is provided prior to the hearing.

Depending on the nature of the complaint, members of the LWCC Board of Directors and applicable committee members may participate in the hearing. At the hearing, an attempt will be made to come to agreement on a mutually acceptable, reasonable resolution to the dispute.

At the conclusion of the hearing the complainant will be asked if the matter has been Resolved, Not Resolved, Withdrawn Without Prejudice or To Be Continued.

<u>Resolved</u> - indicates that the complaint has been addressed to the complainant's satisfaction and the specific complaint is no longer to be an active issue.

<u>Not Resolved</u> - indicates that the complaint has NOT been satisfactorily resolved and the complaint is still an issue.

- a) The LWCC Executive Committee may wish to further meet on this at another hearing or state they will not reconsider the complaint. A letter will be sent to the complainant within 30 days with a decision.
- b) If the complainant decides to take the complaint further, the next step is to file a complaint with the Montgomery County Commission in Common Ownership Communities (CCOC).

<u>Withdrawn Without Prejudice</u> - Indicates that a solution has been found which may satisfy the complaint. The complainant agrees to see if the solution works out satisfactorily but retains the right to reactivate the complaint by notifying the LWCC Board of Directors in writing as to what aspects of the original effort to resolve the complaint have not worked satisfactorily. The LWCC Executive Committee will readdress the dispute or advise the complainant that they are unable to take further action. In the latter case the complainant would be free to file a complaint with the Montgomery County Commission on Common Ownership Communities (CCOC) if the complainant wishes to pursue the issue further.

<u>To Be Continued</u> - It was agreed to have another hearing on the complaint as one of the parties wished to gather additional information.

Implementation

Implementation of the resolution of the dispute must also be considered. The complainant should realize that some actions, especially those that would alter the policies or specified practices of the LWCC or its agents may need to be formulated and/or approved by the LWCC Board of Directors before they can be put into effect.

If agreement on a resolution of the dispute requires action by the Board of Directors of LWCC, then the LWCC Executive Committee and the complainant will work together to prepare a formal Statement of Resolution. This Statement of Resolution will be presented to the LWCC Board of Directors for their action at the earliest opportunity. Because the Statement of Resolution is an agreement worked out between the complainant and the LWCC Executive Committee empowered by the LWCC Board of Directors to act as its negotiating agent for resolution of disputes, the Statement of Resolution must be considered by the LWCC Board as submitted and, except for technical errors or grammatical corrections, may not be amended.

If action by the Board of Directors of LWCC is a necessary part of the resolution of a dispute, the choice to be made in step 4 will be listed as Withdrawn Without Prejudice.