

PRELIMINARY DISPUTE RESOLUTION PROCESS

As a valued resident of our community, your concerns are very important to us. If you have a concern or wish to dispute any matter relating to the Lease, we have made the following two-step preliminary dispute resolution process available to you so that your concerns are elevated quickly, and to the appropriate staff members, in order to help ensure a timely response to your concerns. To afford us an opportunity to thoroughly evaluate and address your concerns as quickly as possible, any complaint or dispute must initially be submitted to us using the following two-step process:

- 1. Submit a complaint in writing to the Community Director:** To initiate the preliminary dispute resolution process, you must:
 - a. Prepare and submit a written complaint using the Owner approved form, to your Community Director describing in detail the complaint, providing adequate supporting information and documentation (i.e., complete written description of the issue, photos, invoices, estimates, etc.), and detailing what specific steps we might be able to take to address your concerns. This form is available by request from your Community Director (Reference Exhibit A on page 4).
 - b. Cooperate with us as we investigate your concerns, which may include, without limitation, providing us with prompt access to your Premises for inspection or repairs, providing additional documentation, or answering questions about your complaint.
 - c. Allow your Community Director up to five business days from the receipt of your written complaint to fully evaluate your concerns and respond to your complaint.
- 2. Elevate your complaint to the Regional Director of Operations:** If you are not satisfied with your Community Director's response to your complaint, you must:
 - a. Make a written request to your Community Director that your complaint be elevated to the Regional Director of Operations.
 - b. Cooperate with us on any additional reasonable requests to allow the Regional Director of Operations an opportunity to thoroughly investigate your complaint so we may attempt to adequately address and resolve it to your satisfaction.
 - c. Allow the Regional Director of Operations up to ten business days from the receipt of your written request to review, evaluate and respond to your complaint.

If this two-step preliminary dispute resolution process does not resolve the dispute to your satisfaction, you have the right to pursue the Formal Dispute Resolution Process as more particularly outlined in in the Universal Lease, and as incorporated into our Active Duty Tenants' current leases through HMC's Community Guidelines and Policies. The relevant provisions of the Dispute Resolution Process excerpted from the Universal Lease can be found below:

UNIVERSAL LEASE DISPUTE RESOLUTION PROCESS (EXCERPT)

“Section 9 — DISPUTES”

If Tenant has a dispute with respect to Owner's performance of responsibilities under the Lease or attached schedules, Tenant shall first attempt to resolve it by bringing the request or concern to the attention of the Owner. If Tenant and Owner are unable to resolve such dispute to the reasonable satisfaction of either party, Tenant shall attempt to resolve such dispute through informal dispute resolution processes set forth by the MHO, as such informal process is identified and described on the Community Specific Addendum. If Tenant has a dispute pertaining to the Premises that is not resolved using the informal resolution processes, and the dispute pertains to rights and responsibilities set forth in the Lease, including maintenance and repairs, rental payments, displacement rights, Lease termination, inspections, or fees and charges (each an “Eligible Housing Dispute”), Tenant or Tenant's designated agent may submit the request or concern to the MHO for formal dispute resolution, in accordance with the Dispute Resolution Process set forth on Schedule 3. Tenant or Owner may seek legal advice or seek to resolve the dispute and pursue any remedy available by law in accordance with applicable law, except that Tenant and Owner shall not pursue such remedy available in law while a formal dispute resolution process under Schedule 3 is pending.

“Schedule 3 — DISPUTE RESOLUTION PROCESS”

DISPUTE RESOLUTION PROCESS

- 1. Scope.** This Dispute Resolution Process (hereinafter, “Dispute Resolution Process”) allows eligible tenants of privatized military housing to obtain prompt and fair resolution of housing disputes concerning rights and responsibilities set forth in the Lease, including maintenance and repairs, rental payments, displacement rights, Lease termination, inspections, or fees and charges (each an “Eligible Housing Dispute”).
- 2. Eligibility.** Any military member, their spouse or other eligible individual who qualifies as a “tenant” as defined in Section 2871 of title 10 of the United States Code (hereinafter “Tenant” or “Tenants”) is eligible to seek resolution of Eligible Housing Disputes. Prior to initiating this Dispute Resolution Process, a Tenant must first attempt to resolve the dispute through the informal dispute resolution procedures as described in Section 9 of this Lease agreement, which includes utilizing the informal issue resolution procedures of the Military Housing Office (“MHO”) with responsibility over the subject housing unit (the “Premises”).
- 3. Dispute Processing.**

- (a) To initiate this Dispute Resolution Process, the Tenant must complete the Form attached here as Exhibit A (hereinafter, "Request Form for Dispute Resolution Process"), available from the MHO, and submit it to the MHO responsible for their leased Premises. At a minimum, the Tenant must provide the following information on a Request Form for Dispute Resolution Process: (i) Tenant's name, contact information, and military status; (ii) the Owner's name; (iii) the address of the subject Premises; (iv) written affirmation the Tenant has sought resolution through, and completed, the informal issue resolution procedures set forth in Section 9 of the Lease agreement; and (v) a concise statement describing the dispute and prior efforts to resolve it. A Tenant who wishes Owner to withhold all or part of the Rent payments received by Owner during the Dispute Resolution Process (not to exceed 60 calendar days), pending resolution of the dispute as provided for in Section 4 below, must explicitly request Rent segregation on Section 7 of the Request Form for Dispute Resolution Process.
 - (b) Within two (2) business days after receiving a Request Form for Dispute Resolution Process, the MHO shall review the request and take the following action:
 - (i) If the MHO determines the request is ineligible or incomplete, the MHO shall provide written notice to the Tenant, as further described below.
 - (ii) If the MHO determines the request is complete and eligible for this Dispute Resolution Process, as determined by the MHO in its reasonable discretion, the MHO shall notify the Tenant of receipt and simultaneously provide a copy of the request to the Owner and the Installation Commander responsible for the Premises.
 - (iii) If the MHO determines the Tenant is not eligible to request dispute resolution, the dispute is not an Eligible Housing Dispute, or the request for dispute resolution does not contain sufficient information, the MHO will provide a written notification to the Tenant explaining the reason(s) for the ineligibility or the information needed for further consideration. The Tenant may submit a revised Request Form for Dispute Resolution Process. All subsequently described deadlines associated with the Dispute Resolution Process will run from the date of MHO's receipt of an administratively complete Request Form for Dispute Resolution Process.
 - (c) The Deciding Authority shall be the Installation or Regional Commander with authority over the Premises.
4. Treatment of Rent Payments Pending Dispute Resolution. If an Eligible Housing Dispute alleges failure to meet applicable maintenance guidelines and procedures prescribed under the terms of the Lease agreement or applicable Schedules and addenda, or the housing unit is otherwise alleged to be uninhabitable according to applicable State or local law, a Tenant may request Owner to withhold all or part of the Rent payments received by Owner during the Dispute Resolution Process (not to exceed 60 calendar days), on the Request Form for Dispute Resolution Process. Upon receipt of an administratively complete Request Form for Dispute Resolution Process in which the Tenant has requested a partial or complete withholding of Rental payments, the MHO will notify the Owner to initiate the process to withhold such payments from use. The Owner shall segregate amounts equal to such payments (the "Segregated Rental Payments") in a project level reserve account unavailable to the Owner, or Owner's property manager, employees, agents, or contractors for any purpose pending completion of the Dispute Resolution Process.
 5. Owner and Tenant Obligations Pending Dispute Resolution. The rights and responsibilities of both Owner and Tenant under the Lease shall be unaffected by, and continue, pending the Dispute Resolution Process, including the ability of the Owner to access, maintain, and repair the premises. Any actions taken by the Owner to repair the premises during the Dispute Resolution Process shall be considered by the Deciding Authority in rendering a decision.
 6. Inspection. Within seven (7) business days of receiving an administratively complete Request Form for Dispute Resolution Process, if the Eligible Housing Dispute is related to living conditions or the physical condition of the Premises, the MHO shall schedule and conduct a physical inspection of the Premises. The Owner and its designee, the Tenant or Tenant's representative, and the Dispute Resolution Investigator shall be notified of any inspection schedule and be afforded the opportunity to be present at the inspection. The Owner or its designee may schedule a separate inspection, at which the Tenant or Tenant's representative shall be allowed to be present. The Tenant shall grant access to the Premises for these inspections at a time or times and for a duration or durations mutually agreeable to the attendees. The Deciding Authority may grant an additional seven (7) business day extension in writing, if necessary, at the request of the MHO, the Owner, or the Tenant to facilitate inspections. If a Tenant fails to grant access to the Premises for inspections discussed in this Section, the Dispute Resolution Process shall terminate, no decision rendered, and the specific subject of the dispute deemed ineligible for future consideration. Within three (3) business days of the MHO inspection, the MHO shall make a written report of findings, and transmit the results of the inspection to the Deciding Authority, the Owner and the Tenant.
 7. Consideration of Recommendations. Before making a decision, the Deciding Authority shall solicit written recommendations or information relating to the Eligible Housing Dispute from each of:
 - (a) The head of the MHO;
 - (b) Representatives of the Owner for the subject Premises;
 - (c) The Tenant of the subject Premises;
 - (d) If the Eligible Housing Dispute involves maintenance or other facilities-related matter, one or more professionals with specific subject

matter expertise in the matter under dispute, selected and provided by the Deciding Authority. The cost of any other additional inspections, reports, or evidence gathered by the Parties will be borne by the Party requesting additional inspections; and

- (e) An independent Dispute Resolution investigator (the "Dispute Resolution Investigator") selected by the Deciding Authority who shall consider the recommendations or information collected pursuant to Sections 7(a) through 7(d) of this Schedule in making a recommendation.

The Deciding Authority shall make any written recommendation or information relating to the Eligible Housing Dispute provided pursuant to this Section 7 available to the Owner and Tenant for review within three (3) business days of receipt by the Deciding Authority of all written recommendations or information collected pursuant to Section 7(a) through 7(e) of this Schedule. Both the Owner and Tenant shall have up to three (3) business days to submit a written rebuttal to any information received by the Deciding Authority. The Deciding Authority shall make any rebuttal submission available to the other Party within three (3) business days of receipt. At the end of any applicable period for rebuttal, the fact-finding portion of the Dispute Resolution Process shall be considered completed.

- 8. Decision. The Deciding Authority shall issue a final written decision in the Dispute Resolution Process no later than thirty (30) calendar days after MHO's receipt of an administratively complete Request Form for Dispute Resolution, unless good cause exists for the Deciding Authority to take up to an additional thirty (30) calendar days. In no case, however, shall the Deciding Authority make a decision more than sixty (60) calendar days after the MHO accepts as complete the Request Form for Dispute Resolution Process. The Deciding Authority shall transmit the decision to the Tenant, the Owner, and the MHO on or before the deadline outlined herein. The decision shall include a certification that the Deciding Authority solicited and considered the recommendations described in Section 7 of this Dispute Resolution Process; a concise statement of the rationale underlying the decision; and the resolution of the Eligible Housing Dispute, which may include direction of any remedies available under Section 9 of this Dispute Resolution Process, or a finding of no fault by the Owner, as applicable.
- 9. Remedies. The Deciding Authority (i) shall direct the final determination of the disposition of any Segregated Rental Payments, and (ii) may direct one or more of the following remedies and specify a reasonable time for the Owner and/or Tenant to comply, as applicable:
 - (a) Direct the Owner to take action to remediate the Premises. Such an order may identify specific commercially reasonable outcomes but shall not specify methods of repair;
 - (b) Direct the Owner to fund Tenant relocation in accordance with the Minimum Standard Tenant Displacement Guidelines (Schedule 4);
 - (c) Direct the distribution of any Segregated Rental Payments to Owner or Tenant, as applicable;
 - (d) Direct a reimbursement or credit, as appropriate, for the payment of any fees, charges, or move-out damage assessments determined to be due to Owner or Tenant; or
 - (e) Allow Tenant to terminate the Lease or excuse Tenant from minimum move-out notice requirements and any associated fees.

The Deciding Authority may not order any remedies other than those specified in Sections 9(a) through 9(e) above. The Deciding Authority's decision is the final action available under this Dispute Resolution Process. To the extent the decision requires Owner to perform work at the Premises, such decision shall stipulate that the Tenant shall not interfere with Owner's ability to perform work at the Premises. The Deciding Authority shall reasonably determine whether such work ordered to be performed by Owner pursuant to the Dispute Resolution Decision has been satisfactorily completed.

- 10. Availability of Assistance to Tenants. While the Dispute Resolution Process does not require the use of legal services, military legal assistance attorneys may provide legal services in furtherance of this Process to Tenants statutorily eligible for military legal services to the extent those services are available at the military installation. Private civilian attorney or other assistance may be obtained by the Parties at each Party's own expense without reimbursement. In addition, a Tenant Advocate from the MHO may provide the Tenant advice and assistance on the Dispute Resolution Process.
- 11. Relationship to Applicable Laws. Nothing in this Dispute Resolution Process, or any decision rendered by the Deciding Authority, shall prohibit a Tenant or Owner from pursuing the original Eligible Housing Dispute in any adjudicative body with jurisdiction over the housing unit or claim in accordance with applicable state and/or federal law. Nothing in this Dispute Resolution Process shall prohibit a Tenant or Owner from pursuing an ineligible dispute in any appropriate adjudicative body.
- 12. Confidentiality and Use of Information in Subsequent Litigation. By using the Dispute Resolution Process, the Parties agree and agree to cause their representatives to maintain the confidential nature of the proceeding and the Decision. No action taken by the Parties in connection with this Process shall be deemed or construed to be: (a) an admission of the truth or falsity of any claims heretofore made, or (b) an acknowledgment or admission by either Party of any fault or liability whatsoever to the other Party or to any third Party. Further, any recommendation gathered by the Deciding Authority pursuant to Sections 7(a) through 7(e) of this Dispute Resolution Process, and any written decision or remedy rendered pursuant to Sections 8 or 9 of this Dispute Resolution Process shall remain confidential and may not be released or used as evidence in a court of law or other similar judicial proceeding, except to the extent necessary to demonstrate that any alleged damages have or have not been remedied, and shall be withheld from release, as applicable, under the Freedom of Information Act (FOIA).

Exhibit A — Request Form for Dispute Resolution Process

1. Tenant Name (Rank, Last, First):

2. Premises Address (Street, City, State, Zip):

3. Tenant Contact Information:

a. Phone # (Home/Cell): _____

b. Email: _____

4. Owner Company Name:

5. Owner Contact Information:

a. POC Name (Last, First): _____

b. Phone # (Home/Cell): _____

c. Email: _____

6. Statement describing the dispute and prior efforts to resolve it (including supporting documentation):

7. Rent Segregation Request. Tenant hereby requests segregation of Tenant's future Rent payments as of the date set forth below.

_____ Tenant requests full Rent segregation in the amount of \$_____ per month,

or

_____ Tenant requests partial Rent segregation in the amount of \$_____ per month.

8. Name and signature of Tenant confirming they have sought resolution through, and completed, the informal resolution process procedures set forth in Section 9 of the Lease agreement.

Name: _____

Signature: _____ Date: _____