

## **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 regarding informal issue resolution procedures of the Military Housing Office (“MHO”) or Housing Services Office (“HSO”) 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/HSO, and submit it to the MHO/HSO 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, 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/HSO shall review the request and take the following action:
    - (i) If the MHO/HSO determines the request is ineligible or

incomplete, the MHO/HSO shall provide written notice to the Tenant, as further described below.

(ii) If the MHO/HSO determines the request is complete and eligible for this Dispute Resolution Process, as determined by the MHO/HSO in its reasonable discretion, the MHO/HSO 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/HSO 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/HSO 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/HSO's receipt of an administratively complete Request for Form 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 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 A HO 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/HSO 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/HSO, 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/HSO inspection, the MHO/HSO 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/HSO;

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/HSO'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/HSO 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/HSO 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 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/HSO 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 following completion of this Dispute Resolution Process. 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 been remedied or have not been remedied, and shall be withheld from release, as applicable, under the Freedom of Information Act (FOIA).