

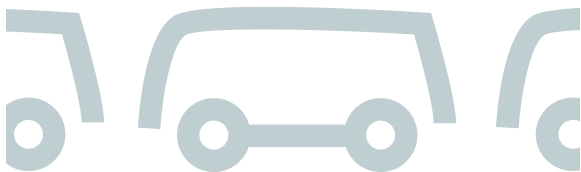


CONSUMER ARBITRATION PROGRAM

Administered by DeMars & Associates, Ltd.

Consumer Arbitration Program

for Recreation Vehicles



Mediation Rules



DeMars & Associates, Ltd.
Innovative Dispute Resolution

A. Introduction

This guide provides important information about the dispute resolution program for recreation vehicles (“Program”) under the Magnuson-Moss Warranty Act (“Mag-Moss Act”) and the California Song Beverly Consumer Warranty Act (the “Warranty Act”).

Mediation is a voluntary process incorporated into the program to meet the warrantor’s obligations under the Mag-Moss Act part 703.2 (d) and (e).

Please note: The mediation process is outside the scope of section 1793.22 (Tanner Act) of the Warranty Act. Therefore, the Arbitration Certification Program does not have responsibility to oversee or regulate mediation activities.

This guide is designed to help you, the consumer, prepare for mediation under the Program. You should read this guide in its entirety. Otherwise, you may not fully understand your rights and responsibilities under the Program.

B. Administration of the Program

DeMars & Associates, Ltd. (“Administrator”) administers the Program. The Administrator is responsible for the overall administration of the Program, including collecting necessary documents, scheduling the mediation and providing you with an impartial, qualified Mediator. The Administrator does not decide cases. The Administrator provides a forum for mediation and resolving disputes using impartial Mediators.

The Administrator and Mediators are exempt from civil liability as a result of any act or

omission in connection with the mediation held under the Program. The parties may not call the Mediator or any employee or Administrator as a witness or expert. This includes any informal proceeding or legal action involving the parties related to a dispute subject to this Program. In addition, the parties may not subpoena any notes or other materials created by the Mediator. Parties are entitled to receive copies of all the Program's records related to the dispute, at a reasonable cost.

C. Program Timeline

The Mag-Moss Act and California regulations expect an arbitration hearing of an eligible consumer claim to take place within forty (40) days from when the Administrator receives a claim. Therefore, the mediation will take place approximately one week prior to the scheduled arbitration hearing date.

The 40-day timeline can be extended in any of the following circumstances:

- 1) For a seven (7) day period if the consumer has not attempted to seek resolution directly from the manufacturer;
- 2) If the delay is due to the consumer's failure to promptly provide:
 - his or her name,
 - address,
 - make and model information,
 - vehicle identification number, and
 - a statement summarizing the defect or concern being reported;

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- 3) For a period not to exceed thirty (30) days to permit the Program the opportunity to respond to an Arbitrator's request for additional information, including a vehicle inspection.

In the event the 40-day timeline is extended as a result of any of the above circumstances, a mediated settlement or an arbitrated decision is still valid.

D. Mediation

Mediation is a process in which parties to a dispute and a Mediator (a neutral facilitator) meet to discuss settlement. If the Administrator determines that an in-person mediation conference is not practical, the Administrator will schedule the mediation as a telephone conference call.

In mediation, the parties can discuss any vehicle issue or concern and attempt to resolve all differences, even if some of the alleged problems with the vehicle are not covered by the Warranty Act.

At the outset of the mediation conference, the Mediator describes the procedures and ground rules. Each party then describes their respective views of the dispute. You discuss your understanding of the issues, the facts surrounding the dispute, how you would like to see the dispute resolved and why. The manufacturer(s) makes similar presentations to the Mediator. In this initial session, the Mediator gathers as many facts as possible.

The Mediator assists the parties' efforts to reach a mutually acceptable settlement of the dispute; however, the Mediator cannot impose any settlement upon the parties. Mediation is voluntary for both you and the involved

recreation vehicle manufacturer(s). The dispute may be settled prior to the scheduled mediation conference because the parties are not prevented from continuing direct negotiations during the Program.

During the separate and joint sessions, the Mediator attempts to assist the parties in narrowing their differences and in obtaining agreement on major and minor issues. The Mediator attempts to reduce a disagreement into a workable solution. At appropriate times, the Mediator may make suggestions about a final settlement, advise the parties on the consequences of failure to reach a mutually acceptable agreement, outline the progress that has been made, and formalize offers to achieve agreement.

The Mediator acts as a facilitator to keep discussions focused and to avoid new outbreaks of disagreement. The Mediator often has the parties negotiate the final terms of settlement in a joint session. The Mediator then verifies the specifics of an agreement and helps the parties ensure that the terms are comprehensive, specific, and clear in the final session.

If joint discussions reach a stage where no further progress is being made, the Mediator may meet with each party in separate sessions. While holding these separate sessions, the Mediator may shuttle back and forth between the parties and may bring them back to joint sessions at appropriate intervals. During each separate session, the Mediator attempts to clarify each party's version of the facts, priorities, and positions, and explores alternative solutions.

E. Mediation Procedures

- 1. Initiation of Mediation.** Upon receipt of an eligible claim, the Administrator will promptly notify you and the manufacturer(s), in writing, that an eligible application has been received, and shall advise you and the manufacturer(s) of
- a. the identity and biography of the assigned Mediator,
 - b. the scheduled mediation conference date, time and location, and
 - c. the Administrator's address to which all requests or other correspondence concerning the claim should be directed.

The Administrator will send notification to the parties at least ten (10) days prior to the scheduled mediation conference date. A copy of your claim will be provided to all involved manufacturers and the Mediator.

2. Appointment of the Mediator. A single Mediator will be assigned by the Administrator to conduct the mediation conference.

3. Mediator Disclosure and Challenge Procedure. No person shall serve as a Mediator in any dispute in which that person has any financial or personal interest in the result of the mediation. A party shall have five (5) days from the date of the letter scheduling the mediation conference to factually object to the assigned Mediator. Prior to accepting an appointment, the prospective Mediator shall disclose any circumstance likely to create a presumption of bias or prevent a prompt meeting with the parties. Upon receipt of such information, the Administrator shall either replace the Mediator or immediately communicate the

information to the parties for their comments. Upon the Administrator's receipt of a party's written objection to the continued service of the Mediator, the Administrator shall determine whether the Mediator should be disqualified and shall inform the parties of its decision, which shall be final and binding.

4. Mediator Vacancies. If for any reason the Mediator becomes unwilling or unable to perform his or her duties, the Administrator may declare the position vacant and appoint a new Mediator.

5. Representation by Attorney. A party may be represented by an attorney. The attorney's name, address and telephone number must be communicated in writing to all parties and to the Administrator at least five (5) days prior to the mediation.

All parties must be represented by persons with settlement authority.

6. Date, Time and Place of Mediation Conference. The Administrator shall set the date, time and place of the mediation conference, in consultation with the Mediator. The mediation shall be held at a site reasonably convenient to you, or, alternatively, may be conducted by telephone if the Administrator determines an in-person meeting is not practical. The Administrator shall have the power to determine the locale of the mediation conference and its decision shall be final and binding.

7. Rescheduling the Mediation Conference Date. The Mediator for good cause shown may postpone a conference upon the request of a party, or upon the Mediator's own initiative, and grant such

postponements when all of the parties agree. In order for the Program to meet requirements, the mediation conference must be held at least seven (7) days prior to the date set for the arbitration hearing.

Any party seeking a postponement should promptly contact the Administrator and attempt to reschedule the conference to a mutually acceptable date.

If the parties are unable to reach agreement about a different conference date, the party requesting the postponement must submit written justification (five page limit) for the reschedule request to the Administrator and all other parties to the dispute at least seven (7) days prior to the scheduled conference date. The Administrator will thereafter obtain a determination from the Mediator regarding the postponement request. A request by you to change the scheduled mediation conference to a later date constitutes a waiver of the forty (40) day time period for completion of all proceedings under the Program.

8. Identification of Matters in Dispute. The parties will be expected to present all information reasonably required for the Mediator to understand the issues presented.

a. Manufacturer Summary. The manufacturer(s) must provide the Administrator with a written summary of its position regarding the dispute at least five (5) days prior to the mediation conference. A manufacturer may revise its summary after inspecting the vehicle.

b. Recreation Vehicle Refund Calculation Worksheet. You must bring to mediation a completed Motor Home Refund/Replacement Use Calculation Worksheet. The work-sheet is based on the reasonable allowance for use formula found in the Warranty Act.

9. Inspection of Vehicle. After the commencement of a claim in this Program, the manufacturer(s) has the right to inspect the vehicle. The manufacturer(s) and you should attempt to arrange a mutually agreeable time and location for such inspection, however, the inspection must take place at least ten (10) days prior to the mediation conference.

You must be present during the inspection, unless you expressly waive in writing the right to be present.

The inspection does not constitute another attempt to repair the vehicle, and no repair procedures may be conducted without your written consent.

The manufacturer(s) may perform limited non-repair diagnostic examination and inspection procedures, such as test driving the vehicle or attaching a testing device to the vehicle. The results of any diagnostic procedures or information gathered as a result of the inspection must be provided to you within ten (10) days of the inspection.

10. Authority of the Mediator. The Mediator shall interpret and apply these rules insofar as they relate to the Mediator's duties and responsibilities. All other rules shall be interpreted and applied by the Administrator.

The Mediator does not have the authority to impose a settlement on the parties but will attempt to help them reach a satisfactory resolution of their dispute. The Mediator is authorized to conduct joint and separate discussions with the parties and to make oral and written recommendations for the settlement.

11. Privacy. Mediation conferences are private and confidential. The parties, their attorneys, if any, Administrator and regulatory personnel may attend mediation conferences. Other persons may attend only with the permission of the parties and with the consent of the Mediator.

12. Confidentiality. The Mediator shall not divulge confidential information disclosed to the Mediator by the parties in the course of the mediation. Furthermore, the Mediator shall not be compelled to divulge such records or to testify in regard to the mediation in any adversary proceeding or judicial forum.

The parties shall maintain the confidentiality of the mediation and, except as otherwise required by law, shall not rely on, or introduce as evidence in any arbitral, judicial, or other proceeding (a) views expressed or suggestions made by another party with respect to a possible settlement of the dispute, (b) admissions made by another party in the course of the mediation proceedings, (c) proposals made or views expressed by the Mediator, or (d) the fact that another party had or had not indicated

willingness to accept a proposal for settlement made by the Mediator.

Settlement agreements, even when entered into at mediation are not confidential.

13. No Stenographic Record or Recording.

There shall be no stenographic record or recording of the mediation conference.

14. Termination of Mediation. The mediation shall be terminated by (a) the execution of a written settlement agreement by the parties; or (b) a written declaration of the Mediator to the effect that further efforts at mediation are no longer worthwhile.

F. Settlement

If the parties reach an agreement to settle their dispute at any time after the dispute has been submitted to the Program, including during the mediation conference, the settlement terms must be detailed in writing in a settlement agreement. The settlement agreement must be signed by the parties and filed with the Administrator. If a settlement agreement is reached, the manufacturer has thirty (30) calendar days after the agreement is signed to perform the terms of the agreement. In the event the settlement provides for you to receive a replacement vehicle, the thirty (30) day time period may be extended up to ninety (90) days to allow the manufacturer to locate or build a vehicle to the specifications outlined in the settlement agreement.

Pursuant to Section 3398.12 of the California Civil Code, if a manufacturer is required to carry out an award as part of a settlement, the Administrator will contact you within 10 days after the date set for compliance to verify that the award has been implemented.

If the manufacturer fails to carry out the terms of a settlement agreement within the specified timeframe or if you assert that the further repair attempt has not resolved the concern(s), you may contact the Administrator to request arbitration. The Administrator will investigate the dispute and treat it as a new dispute; however, all phases of the process will be shortened to the extent possible.

Administrator's Office

If you have any questions about this Program, please contact the Administrator at:

CAP-RV

**P.O. Box 1424, Waukesha, WI 53187-1424
(800) 279-5343**

Email: info@demarsassociates.com

Provide your case number on all communications.

Special Accommodations

If you need special accommodations to participate in the arbitration hearing you should contact the Administrator no later than ten (10) days prior to the hearing date. If you are hearing impaired, contact the Administrator via TTY Relay Service at 800-947-3529. An interpreter will be provided by the Administrator upon request.