

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**October 16, 2012**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, October 16, 2012 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Straziuso, Won Chang, Isabel Muennichow, Rae Tso, Hank Gioia, Sy Wellikson, Kathryn Freshley, Denny Welch, Marc Bayer, Jim Juhan, Judith Troutman

Directors Absent: None

Staff Present: Jerry Storage, Patty Kurzet  
Executive Session: Jerry Storage, Patty Kurzet, Cris Robinson, Luis Rosas

Others Present: Kelly Richardson, Esq.

**CALL TO ORDER**

Director Mike Straziuso, President of the Corporation, called the meeting to order at 9:30 A.M.

**PLEDGE OF ALLEGIANCE**

Director Welch led the Membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF MEDIA**

A representative of the Globe was not present when the meeting started, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

**APPROVAL OF AGENDA**

Without objection, the Board approved the agenda as amended by removing 11(a) *Adopt Water Heater Damage Policy* for legal counsel and staff to review it further.

The Globe representative entered the meeting at 9:34 A.M.

**CHAIR'S REMARKS—Mike Straziuso**

President Straziuso welcomed each of the new Board members, commented on the Mutual's Rain Event Action Plan, and commented on misstatements made by members regarding PCM.

**APPROVAL OF THE MINUTES**

Without objection or amendments, the Board approved the September 11, 2012 Special Meeting minutes, the September 18, 2012 Regular Meeting minutes, the October 3, 2012 Special Meeting minutes, the October 4, 2012 Organizational Meeting minutes, and the October 8, 2012 Special Meeting minutes.

## **CONSENT CALENDAR**

Without objection, the Board approved the Consent Calendar as submitted, and took the following actions:

### Maintenance & Construction Committee Recommendations:

- |         |   |
|---------|---|
| 2385-3E | Approve request to retain roof-heat pump package unit, with contingencies                     |
| 3001-D  | Approve request for installation of foyer addition, with contingencies                        |
| 3186-D  | Approval of reimbursement request for damage restoration paint                                |
| 5054    | Approve request to omit entry gates and wrought iron over bathroom window, with contingencies |
| 5594-B  | Approve request for room addition on rear patio, with contingencies                           |

- (b) Landscape Committee Recommendations  
None.

### Finance Committee Recommendation

#### **RESOLUTION 03-12-126**

**WHEREAS**, Member ID 931-680-69 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-680-69; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

#### **RESOLUTION 03-12-127**

**WHEREAS**, Member ID 932-120-68 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with

no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-120-68; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-12-128**

**WHEREAS**, Member ID 933-030-08 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-030-08; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-12-129**

**WHEREAS**, Member ID 935-050-71 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 935-050-71; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-12-130**

**WHEREAS**, The Finance committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent assessments by way of a judgment or stipulation against members/owners in Third Laguna Hills Mutual; and

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors hereby approves the filing of separate Small Claims Court cases for Member ID 931-530-29, Member ID 931-590-67, Member ID 932-120-63, Member ID 933-030-56, Member ID 933-620-27, Member ID 932-810-59, Member ID 933-030-08, Member ID 935-050-71, and Member ID 931-460-29; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**GENERAL MANAGER'S REPORT**

Mr. Jerry Storage updated the Membership on the ongoing GRF projects within the Community and on Third Mutual projects.

**MEMBER COMMENTS**

Third Mutual Members were given the opportunity to speak and the Directors briefly responded.

**UNFINISHED BUSINESS**

Director Muennichow read a proposed resolution adopting the Rules Regarding Chargeable Services which has satisfied the 30-day notification requirement. Director Wellikson moved to approve the resolution. Director Welch seconded the motion.

By a vote of 9-0-1 (Director Freshley abstained), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-12-131**

**WHEREAS**, the Mutual's legal counsel recommended changes to the Mutual's chargeable services rules; and

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors of this Corporation hereby adopts the Rules Regarding Chargeable Services (attached), effective January 1, 2013; and

**RESOLVED FURTHER**, that Resolution 03-08-01 adopted January 15, 2008, is hereby superseded and cancelled; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

### **NEW BUSINESS**

The Board considered dissolving the Recycling Sub-Committee. Director Tso moved to dissolve the Recycling Sub-Committee and any recycling issues shall be discussed at the Landscape Committee. Director Welch seconded the motion and discussion ensued. The motion carried unanimously.

Director Wellikson moved to dissolve the Water Conservation Sub-Committee and any water conservation issues shall be discussed at the Maintenance and Construction Committee. Director Tso seconded the motion and discussion ensued.

Director Freshley amended the motion directing that all water conservation issues be discussed at the Landscape Committee. Director Tso seconded the motion and discussion ensued. By a vote of 1-8-1 (Director Freshley voted in favor, and Director Muennichow abstained), the amendment failed.

By a vote of 7-3-0 (Directors Freshley, Gioia, and Muennichow opposed), the original motion carried.

Director Muennichow read the proposed Mutual Committee appointments. Director Muennichow moved to approve the resolution. Director Wellikson seconded the motion and the Board made additional changes without objection.

By a vote of 9-0-1 (Director Freshley abstained), the motion carried and the Board of Directors adopted the following resolution as amended:

### **RESOLUTION 03-12-132**

#### Mutual Committee Appointments

**RESOLVED**, October 16, 2012, that the following persons are hereby appointed to serve on the committees and services of this Corporation; and

**RESOLVED FURTHER**, that each committee chair in consultation with the vice chair may appoint additional members and advisors with interim approval by the President subject to the approval of the Board of Directors:

#### **Board Operating Rules Committee**

Mike Straziuso, Chair  
Isabel Muennichow  
Marc Bayer

#### **Community Revitalization Ad Hoc Committee**

Won Chang, Chair

Jim Juhan, Vice Chair

**Isabel Muennichow**

*Non-Voting Advisors: Doh Shin, **Bob Hatch***

**Finance (Committee of the Whole)**

Rae Tso, Chair

Hank Gioia, Vice Chair

*Non-Voting Advisors: Jim Hart, Mary Robertson*

**Garden Villa Recreation Room Subcommittee**

Denny Welch

Marc Bayer

**Joint Signage Ad Hoc Committee (with GRF and United)**

Isabel Muennichow

Judith Troutman

**Landscape (Committee of the Whole)**

Won Chang, Chair

Judith Troutman, Vice Chair

*Non-Voting Advisors: Barbara Marsh, John Dudley*

**Maintenance and Construction (Committee of the Whole)**

Denise Welch, Chair

Marc Bayer, Vice Chair

*Non-Voting Advisors: TBD*

**Management Agreement Ad Hoc Committee**

Mike Straziuso, Chair

Rae Tso, Vice Chair

Sy Wellikson

**Meet and Confer**

Kathryn Freshley

Denny Welch

Sy Wellikson

**New Resident Orientation**

Per Rotation List

**Paint Color Sub-Committee**

Isabel Muennichow

Judith Troutman

**Resident Problem Resolution Services**

Denny Welch, Chair

Marc Bayer, Vice-Chair

Mike Straziuso

**Standards Sub-Committee**

Denny Welch  
Judith Troutman  
Marc Bayer  
Jim Juhan

**Traffic Hearing (quarterly)**

Kathryn Freshley  
Rae Tso  
3<sup>rd</sup> on rotating basis

**Traffic Rules and Regulations Ad Hoc Committee**

Denny Welch, Chair  
Jim Juhan, Vice Chair  
Hank Gioia  
***Advisor: Hal Horne***

**Laguna Canyon Foundation**

Isabel Muennichow

**RESOLVED FURTHER**, Resolution 03-12-38, adopted March 20, 2012, is hereby superseded and canceled.

Without objection, the Board agreed to allow Director Muennichow to appoint advisors to the Paint Sub-Committee without Board approval.

Director Muennichow read the proposed GRF Committee appointments. Director Muennichow moved to approve the resolution. Director Wellikson seconded the motion and discussion ensued.

Director Wellikson moved to appoint representatives to attend GRF Closed session meetings. President Straziuso seconded the motion and discussion ensued. Without objection, the amendment was withdrawn.

By a vote of 8-2-0 (Directors Gioia and Freshley opposed), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-12-133**

GRF Committee Appointments

**RESOLVED**, October 16, 2012, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted September 2011, the following

persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

**Business Planning**

Mike Straziuso  
Rae Tso

**Clubhouse Two Renovation Ad Hoc Committee**

Hank Gioia  
Marc Bayer

**Community Activities**

Marc Bayer  
Denny Welch

**Finance**

Rae Tso  
Hank Gioia

**Landscape Committee**

Won Chang  
Judith Troutman

**Maintenance and Construction**

Denny Welch  
Marc Bayer

**Media and Communication Committee**

Rae Tso  
Won Chang

**Mobility and Vehicles Committee**

Kathryn Freshley  
Jim Juhan

**Security and Community Access**

Mike Straziuso  
Sy Wellikson

**RESOLVED FURTHER**, Resolution 03-12-24, adopted February 21, 2012 is hereby superseded and canceled.

The Board discussed and considered a Quality of Life Study as presented by Director Chang.

Director Chang moved that the Board sponsor the Study and refer the matter to the Community Revitalization Ad Hoc Committee for review, revision, and report of its findings to the Board. Director Wellikson seconded the motion and discussion ensued.

Director Muennichow amended the motion to place the Study under an ad hoc committee, with Director Chang as Chair. Director Freshley seconded the motion and discussion ensued. By a vote of 2-8-0 (Directors Freshley and Muennichow voted in favor), the amendment failed.

By a vote of 8-0-2 (Directors Freshley and Muennichow abstained), the original motion carried.

### **COMMITTEE REPORTS**

Director Rae Tso gave the Treasurer's and the Finance Committee Reports, and commented on the Resale & Lease Activities.

Director Isabel Muennichow reported from the Landscape Committee.

Director Freshley left the meeting at 11:33 A.M.

Director Denny Welch reported from the Maintenance and Construction Committee.

Director Chang left the meeting at 11:36 A.M.

Director Muennichow read a proposed resolution authorizing a supplemental appropriation to replace dry rot beams at Buildings 4012, 4013, 4014, 4015, 4025, and 4026. Director Welch moved to approve the resolution. Director Gioia seconded the motion and discussion ensued.

By a vote of 8-0-0 (Directors Freshley and Chang were absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 03-12-134**

**WHEREAS**, LH21 building types have exhibited dry rot damage at the conventional wood beams on the exterior stairways; and

**WHEREAS**, a Structural Engineer was contracted to assess the damage, and recommended necessary beam replacements at Buildings 4012, 4013, 4014, 4015, 4025, and 4026;

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$81,100 to be funded from the Replacement Fund to replace dry rot beams at Buildings 4012, 4013, 4014, 4015, 4025, and 4026; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Muennichow read a proposed resolution authorizing an unbudgeted operating expenditure for abatement work on Garden Villa Recreation Room floors. Director Welch moved to approve the resolution. Director Bayer seconded the motion.

Director Chang returned to the meeting at 11:41 A.M.

By a vote of 9-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-12-135**

**WHEREAS**, the Garden Villa Recreation Room Sub-Committee has determined that replacement of the vinyl flooring in the Recreation Room kitchens and restrooms at Buildings 2370, 2381, 2389, 2392, and 4010 is necessary; and

**WHEREAS**, the replacement of the vinyl flooring requires removal of original asbestos containing flooring materials to facilitate installation of new flooring; and

**WHEREAS**, removal of asbestos containing materials requires the services of an appropriately qualified contractor;

**NOW THEREFORE BE IT RESOLVED**, October 16, 2012, that the Board of Directors of this Corporation hereby authorizes an unbudgeted operating expenditure from the General Maintenance Operating Fund of \$9,300 to obtain services of a qualified contractor for removal and disposal of existing asbestos containing flooring materials from the Recreation Room kitchens and restrooms at Buildings 2370, 2381, 2389, 2392, and 4010; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Freshley returned to the meeting at 11:43 A.M.

Director Muennichow read the following proposed resolution approving the revised standard procedures for scheduled implementation of the Mutual's fumigation process:

**RESOLUTION 03-12-**

**WHEREAS**, during the course of the Mutual's Pest Control for Termites Program, a limited number of residents have historically requested postponement or

cancellation of the Mutual's use of fumigation as a method of whole structure termite treatment due to medical conditions; and

**WHEREAS**, in order to protect the structural integrity of a termite infested building, and based on advice from legal counsel, the fumigation process should not be delayed indefinitely and should be implemented within a specified and reasonable period of time;

**NOW THEREFORE BE IT RESOLVED**, November 20, 2012, the Board hereby adopts the following procedure with regard to the scheduling and implementation of the fumigation process as part of the Mutual's Pest Control for Termites Program:

1. Mutual shall provide members and tenants of buildings scheduled for treatment with four (4) weeks advance written notice specifying:
  - (a) Mutual's intent to perform fumigation in accordance with the Mutual's authorized standard practice.
  - (b) Each member or tenant has the option of arranging for accommodations, in addition to any accommodations which may be provided by the Mutual during the fumigation process, and taking any additional steps that they believe are necessary and appropriate at their own expense.
2. If the Mutual receives, at its mailing address, no less than two weeks prior to the scheduled fumigation, a written request from a member or tenant to delay fumigation, and if the written request is due to a documented medical reason **and includes an estimated duration of the medical ailment**, signed by a licensed physician, prohibiting the resident from vacating the unit:
  - (a) The Mutual shall allow for a one-time rescheduling of the fumigation on behalf of the requesting resident.
  - (b) Staff shall work with the resident and reschedule fumigation. Considerations affecting the rescheduling include the nature of the medical issue and the timing of request within the program year. Requests made late in a program year may preclude fumigation until the following program year.
  - (c) Staff will refer residents who request a second rescheduling of fumigation to the Board for action.
  - (d) Staff shall issue a letter to members and tenants of an affected building advising that the fumigation of the building has been postponed and will be rescheduled by the Mutual

at the earliest date possible and that they will be advised of that date in accordance with the notification procedure.

**RESOLVED FURTHER**, that Resolution 03-10-51, adopted April 20, 2010 is hereby superseded and cancelled; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Welch moved to approve the resolution. Director Bayer seconded the motion and discussion ensued.

The Board agreed to approve the resolution in November.

Director Welch moved to establish an Alteration Standards Sub-Committee and appoint Directors Welch, Troutman, Bayer, and Juhan. Director Bayer seconded the motion and discussion ensued. The motion carried unanimously.

Without objection, the Board directed Staff to add the appointments to the Mutual Committee resolution.

Director Welch reported from the Garden Villa Recreation Sub-Committee.

President Straziuso reported that the Board Operating Rules Committee did not meet.

Director Welch reported from the Resident Problem Resolution Services.

Director Freshley reported from the Traffic Committee.

Director Welch reported from the Traffic Rules and Regulations Ad Hoc Committee.

Director Muennichow reported from the Community Revitalization Committee.

### **GRF Committee Reports**

Directors gave brief reports from the committees from which they serve.

### **DIRECTORS' COMMENTS**

Directors made some final comments.

The Board recessed at 12:07 P.M. and reconvened into Executive Session at 1:00 P.M.

### **Summary of Previous Closed Session Meetings per Civil Code Section §1363.05**

During its September 18, 2012 Regular Executive Session Board Meeting, the Board approved the August 21, 2012 Regular Executive Session minutes. The Board approved recording a Notice of Default for Member ID 931-710-80; heard three disciplinary hearings and imposed fines totaling \$1,150 for violations of the Mutual's rules and regulations;

discussed the legal matters of Lee Childress v. Third Mutual lawsuit; and discussed other member disciplinary, contractual and legal matters.

During its October 8, 2012 Special Executive Session Board Meeting, the Board discussed a member disciplinary matter.

With no further business before the Board of Directors, the meeting was adjourned at xxx P.M.

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Isabel Muennichow, Secretary

**THIRD LAGUNA HILLS MUTUAL  
RULES REGARDING CHARGEABLE SERVICES**

Third Laguna Hills Mutual ("Third") provides Manor Owners certain repair services on request or on emergency. Requested repair services are offered as a convenience, and no Manor Owner ("Owner") is obligated to obtain repair services from Third. Emergency repairs will be provided only in emergency situations, as defined herein. Repair or replacement services (including service call charge, labor, material and equipment) requested by an Owner to be provided to interior or exterior portions of a Manor which are not the responsibility of Third, along with Emergency repairs, are "Chargeable Services".

Third is able to provide Chargeable Services at a cost which is normally significantly lower than the cost of hiring a handyman or contractor. Owners are not obligated to use Chargeable Services and are free to hire the resource of their choice. Chargeable services are available as a courtesy and convenience to Owners. Payment for Chargeable Services is the responsibility of the Owner.

The following additional Rules apply to Chargeable Services.

**1. CHARGEABLE SERVICES - TWO TYPES**

A. "Chargeable Services" include labor, material, equipment and other charges in relation to repair or replacement work provided by Third to a Manor when such work is not the responsibility of Third. Chargeable Services may be:

- i. Requested by the Owner or
- ii. May be provided in a situation in which work is necessary to prevent or stop an imminent hazard in or around a Manor; to protect the Owner and adjacent Owners from incurring additional property damage; or to prevent injury to persons ("Emergency"). Chargeable Services for Emergency work may include the cost of gaining entry to the Manor.

**2. Responsibility:**

a. It is the responsibility of the Owner to pay for Chargeable Services requested by the Owner, the Owner's guests, tenants or co-residents, or rendered in an Emergency.

B. Neither Third nor management staff is required to check the authority of the person requesting Chargeable Services. If the occupant of a Manor requests Chargeable Services and is not in fact authorized by the Owner, the Owner is responsible to pay for the Chargeable Services. Chargeable Services rendered regarding an Emergency do not require specific request, as authorization is deemed granted by virtue of the exigency of the Emergency.

C. Staff will not commence provision of Chargeable Services in non-Emergency situations unless the Owner or a resident of the Manor is present and signs a Service Order confirming the work requested and the acknowledgement of payment responsibility.

D. If during the course of providing non-Emergency Chargeable Services additional work is authorized by the Owner, and staff scheduling allows, the Owner or Owner's representative shall sign a Field Work Order confirming authorization to proceed.

**3. AMOUNTS CHARGED:**

A. Staff will provide the hourly rate for services, which will be billed for actual time incurred, plus materials used, plus the service call fee of \$25. Hourly labor rates are

charged to the nearest next tenth of an hour. The precise cost for Chargeable Services may vary based upon the circumstances of a given location, and the Owner is responsible for the cost actually charged.

B. If staff arrives at a Manor to provide Chargeable Services, there shall be a minimum appearance charge of \$25, if no Chargeable Services are actually provided due to circumstances beyond the control of staff.

**4. LATE PAYMENT:**

A. Payment for Chargeable Services must be made within twenty five (25) days of the invoice date.

B. Payments which are not received by management on or before the twenty-fifth day from the invoice date will be considered delinquent, and a Chargeable Services Administrative Fee of \$20 or fifteen per cent (15%), whichever is greater, will be assessed the Owner's account, in addition to a monthly Late Fee of \$10.

C. If payment is sixty (60) or more days delinquent, the delinquency may, at Third's option, be referred to collection. Such collection efforts may include any remedy authorized at law, including but not limited to placing a lien on the Manor and/or pursuing the debt in court. In the event Third incurs cost in attempting to collect the debt, all costs of collection shall be added to the debt, including any attorney fees, filing fees or fees of a non-attorney debt collection company.

**5. DISPUTING INVOICES:**

If an Owner disputes an invoice for Chargeable Services, the Owner must present the dispute as follows. The difference between the charge invoiced and the amount the Owner claims should be owed is referred to in this section as the "Disputed Amount".

**A. Staff-level review**

A dispute regarding a Chargeable Services invoice must be presented to and received by the Property Services Department prior to the invoice becoming delinquent. If the dispute is received by Property Services Department more than twenty five (25) days after the invoice date (i.e., the invoice becomes delinquent), the opportunity for dispute shall be deemed waived.

The dispute must be presented in writing to the Property Services Department, with the stated reasons for the Owner's disagreement with the invoice amount. Management staff will within thirty (30) days of receipt review the invoice in consideration of the dispute. Staff shall provide a written response as to whether the charge is reversed. If the Disputed Amount is less than \$50, staff's decision shall be final.

If staff does not issue a response within thirty (30) days of receipt, the Disputed Amount will be deemed withdrawn and will be reversed, along with any Late Fees or Chargeable Services Administrative Fee.

**B. Appeal of staff-level review**

If the Disputed Amount is more than \$50, and the Owner disputes the outcome of staff's review of the disputed invoice, the Owner may within thirty (30) days of the date of staff's written response appeal the response to the dispute by presenting the dispute in writing to the Maintenance and Construction Committee ("M&C"), in care of the Property Services Department. If the appeal of staff's response is not received by

Property Services Department within thirty (30) days of the date of staff's written response, the dispute shall be deemed abandoned.

M&C will handle appeals of disputed invoices as follows: M&C will appoint a panel of three Committee members ("Dispute Panel") to conduct a review of the dispute, including a review of the invoice, staff's response, and the Owner's appeal of that response. The Dispute Panel need not meet in person, but may instead deliberate the matter by electronic mail or telephone, and will decide whether to uphold, overturn or reduce the invoice. The decision of the Dispute Panel shall be by majority vote, and shall be communicated by staff to the Owner in writing within thirty (30) days of the Dispute Panel's receipt of the Chargeable Services invoice appeal. If the Dispute Panel does not decide the matter within thirty (30) days, the Disputed Amount will be deemed withdrawn and will be reversed, along with any Late Fees and Chargeable Services Administrative Fee.

**C. Chargeable Services Administrative Fee after dispute**

If either staff or the Dispute Panel reverses a charge for Chargeable Services, the Chargeable Services Administrative Fee will be reversed.

So long as a charge for Chargeable Services is in the dispute and appeal process, no Late Fee shall be imposed. If after the dispute is concluded (by staff review, and if applicable, M&C Committee review) the charge is determined to be valid, Late Fees will be added.

An Owner may elect to pay a disputed invoice in full and lodge a dispute prior to the twenty-fifth day after the invoice date, in which case no Late Fees will be charged, but the Chargeable Services Administrative Fee will still be charged. If the Owner's dispute is wholly or partially successful, the amount by which the invoice is reduced will be remitted to the Owner within thirty (30) days of the written decision by staff or the Dispute Panel, and the Chargeable Services Administrative Fee will also be reversed.

**D. Larger disputes**

A Disputed Amount more than \$1,000 may be appealed in writing, within thirty (30) days after date of the written Dispute Panel determination, to the full M&C. The appeal must include a description of why the Disputed Amount is being appealed after staff and Dispute Panel review, and must be received by the Property Services Department no later than 30 days after the date of the Dispute Panel decision. Such dispute shall be heard in an open meeting of M&C, and the Manor Owner may speak to M&C for no more than five (5) minutes. M&C shall in writing inform the Owner within thirty (30) days of its decision. In the event the appeal is denied, an additional Chargeable Services Administrative Fee of \$100 or ten percent (10%) of the amount of the dispute, whichever is greater, shall be added to the Owner's balance. This additional fee shall be charged regardless of whether the Owner has paid the invoice in full. If the appeal is successful, and the invoice is partially or completely reversed, the Late Fees and Chargeable Services Administrative Fee shall be reversed.

**6. Suspension or Denial of Service**

A. Chargeable Services are provided as a convenience by Third to Owners, and is not a right of membership in Third.

B. Chargeable Services may be suspended or denied to a Manor if any or all apply:

i. The Owner is delinquent in paying for previous Chargeable Services

- ii. The Owner is delinquent in their assessment obligations.
- iii. The Owner has been disciplined by the Board of Directors and that discipline included a suspension of Chargeable Services.
- iv. Staff recommends Chargeable Services be denied due to past issues with the Owner regarding Chargeable Services.
- v. For other good cause as may be determined by Third in its sole discretion.

**7. Effective Date**

These Rules will be effective January 1, 2013.