



**THIRD LAGUNA HILLS MUTUAL
INTERIOR HARD-SURFACE FLOORING COMPLAINT RULES**

Resolution 03-10-98; July 20, 2010

Resolution 03-13-85; Revised August 20, 2013

1. **APPLICABILITY.** These Interior Hard-Surface Flooring Complaint Rules (“Rules”) shall govern complaints by any Owner or resident of a first or second floor Condominium that the interior hard-surface flooring in the Condominium immediately above is in violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions and/or Section 11A of the Third Laguna Hills Mutual Alteration Standards.
2. **WRITTEN COMPLAINTS.** Any Owner or resident of a first or second floor Condominium who alleges that the existence of and/or utilization of the interior hard-surface flooring in the Condominium immediately above it is in violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions and/or Section 11A of the Third Laguna Hills Mutual Alteration Standards, must submit a written complaint to the Mutual on a form provided by the Mutual (the “Hard-Surface Flooring Complaint Form” or “Complaint”). Upon receipt of said Complaint, the Mutual will forward a packet to the complaining Condominium Owner(s), the Owner(s) of the Condominium against which the Complaint has been lodged, and the residents of same (if different from the Owners), which packet will include the Complaint, these Rules, and a written demand that all affected parties meet and confer in person in a good faith effort to resolve the Complaint (collectively the “Meet and Confer Packet”).
3. **MEET AND CONFER PROCESS.** Upon receipt of the Meet and Confer Packet, all affected parties shall meet and confer in person in a good faith effort to resolve the Complaint between themselves. If the affected parties resolve the Complaint, they shall notify the Mutual in writing of the terms and conditions of such resolution. If the affected parties are unable to resolve the Complaint between themselves, then the complaining Owner or resident must so notify the Mutual in writing on a form provided by the Mutual (the “Notice of Failure To Resolve Hard-Surface Flooring Complaint” or “Notice”).
4. **INVESTIGATION OF COMPLAINTS.** Upon the Mutual’s receipt of the Notice of Failure To Resolve Hard-Surface Flooring Complaint from the complaining Owner or resident, then the Mutual shall: a) forward a copy of said Notice to the Owners and residents of the Condominium which is the subject of the Complaint, and b) select, retain and advance the costs for an acoustical testing and engineering expert, who shall perform FIIC testing on interior hard-surface flooring located in bedroom(s), the living room, and hallway(s), whichever is the subject of the Complaint. Testing shall not necessarily be required on interior hard-surface flooring located in the dining room, kitchen, nook, or bathroom(s). The Mutual’s payment of such expert costs shall be subject to its right to obtain reimbursement of such costs by imposition and levy of a Reimbursement Assessment upon the appropriate Condominium and Condominium Owners pursuant to the Governing Documents and these Rules.

5. FIIC TESTING. All FIIC testing which is conducted under these Rules shall be performed by an expert selected by the Mutual in its sole discretion. The expert shall be experienced in the field of acoustical testing and engineering. Said expert shall promptly forward to the Mutual a written report which shall include all test results as well as his, her or its findings, opinions and recommendations. The Mutual shall forward copies of the report to the complaining Condominium Owners and residents, and to the Owners and residents of the Condominium wherein the interior hard-surface flooring at issue is located.

6. OWNER AND RESIDENT COOPERATION. All Condominium Owners and residents involved shall fully cooperate with the Mutual, its agents and experts in connection with FIIC testing. Said cooperation shall include allowing the Mutual, its agents and experts to enter, inspect, photograph, and test all Condominiums which are identified in the Complaint. If entry into a Condominium is required, such entry shall be done at reasonable times, upon reasonable prior notice, and with as little inconvenience to the Condominium Owners and residents as possible. The Board shall impose and levy a Reimbursement Assessment against the appropriate Condominium Owners and their respective Condominiums in order to reimburse the Mutual for all costs, expenses and attorneys fees which the Mutual incurs in connection with the Complaint or the enforcement of these Rules.

7. BOARD HEARINGS AND ORDERS.

i) As soon as reasonable after the Mutual receives the expert's test results and report, a hearing shall be held before the Board of Directors. At the hearing, the Board shall consider all relevant matters, including whether there has been any violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions and/or Section 11A of the Third Laguna Hills Mutual Alteration Standards.

ii) After the hearing has concluded, the Board of Directors shall determine such actions, remedies, fines, penalties, suspensions, Reimbursement Assessments, and other orders that the Board in its discretion deems appropriate to be taken, including, but not limited to:

(1) Imposing and levying a Reimbursement Assessment against either the Owner of the Condominium where the interior hard-surface flooring at issue is located or the Owner of the Condominium which originated the Complaint (even if the Complaint was made by a non-Owner resident in the Condominium) to reimburse the Mutual for all costs, expenses and attorneys fees that the Mutual has incurred in connection with the Complaint or its enforcement of these Rules, including the costs of FIIC testing, expert consultations, and expert reports;

(2) Directing the Owner(s) and/or resident(s) of the Condominium where the interior hard-surface flooring at issue is located to take remedial action to correct the situation that resulted in the Complaint, submit documents verifying that such remedial action has been completed, and/or allow an expert selected by the Mutual and paid for in advance by said Owners to perform follow-up FIIC testing to verify the effectiveness of the remedial action; and

(3) Making such other and further orders as it deems appropriate, including imposing monetary penalties and fines, imposing and levying Reimbursement Assessments, suspending the right to use any facilities owned, operated or managed by the Mutual, suspending the right to vote in Mutual elections, recommending to GRF that it take

disciplinary action against the Owner(s) and/or resident(s) with respect to the Owner(s) and/or resident(s) use of GRF provided facilities and amenities, and/or setting additional hearings.