

**DSLextreme-cgrundke**

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**Sent:** Friday, July 27, 2007 9:27 PM  
**Subject:** Policies & Guidelines

A proposed resolution to the control of credit card and expense reimbursement charges should not be done in one stage. I would suggest that this be implemented in several stages:

**Stage One:**

1. Discontinue all Credit Card activity.
2. Create a temporary committee to review and authorize all Expense Reimbursement charges (include housing mutual representation on the committee).

**Stage Two:**

1. Hire independent attorney to establish and negotiate the following:
2. Impose a measurement to verify the effectiveness of the "Perks" with respect to the Recruitment Charges.
3. Identify all the questionable charges; (birthday, wedding, review, holiday lunches, coffee, haircut, candy, flowers, etc).
4. Move those charges into the Management Fee & renegotiate the fee.
5. Incorporate a Bonus & Incentive Plan oversight process.
  - o Implement a Bonus & Incentive Plan common to all Mutuals (currently each Mutual is different).
  - o Establish a tracking plan to verify and measure the proposed savings that is open to all owners.
  - o Have the associated Board review and OK the Bonus and Incentives.

These expenses are all related and, from past experience, need to be openly handled to re-establish TRUST in both the Boards and PCM. It would be in the best interest of all parties to make a concerted effort to implement a process that will provide incentive to "reduce costs" and not just "meet budgets." By placing charges in the management fee, PCM will have some incentive to control those charges. It will also provide the Boards with a "reason" for hiring a strong negotiator for the Management Agreement. Currently we default to letting PCM define the agreement with little or no argument. This needs to be changed immediately.

Conrad (Connie) Grundke