

Dear Fellow Homeowners:

You just received an email from our Board of Directors and Management Company. The email's contents highlight the troubling conduct of our Board and the Management Company in providing any accurate communications and acting outside their legal authority at our expense.

This is the contents of the email sent with the sections in bold added for emphasis:

*The Board of Directors is **exploring the possibility** of adding a smooth coating texture to the exterior perimeter wall of Washington Street. This coating would match the finish currently used at the Washington Street and Sage Brush gate entry corners.*

*This project would be **funded through reserves** and is intended to **refurbish** the nearly 40-year-old wall. The **updates** will help brighten the neighborhood, improve curb appeal, and support the overall value of homes. First impressions matter, and this **enhancement** will help the community look its best.*

Below is a mockup to help illustrate the proposed look.

This survey is non-binding and is intended only to gauge member interest. No final decisions have been made.

During the March HOA Board meeting a motion was made to vote on spending \$78,000 of our reserve funds on beautifying the Washington Street block wall with a stucco whitewash. The motion was tabled and delayed until the April Board meeting so that a non-binding survey could be sent to the membership. The statement that the Board is exploring the possibility is false since a motion was made to vote, that is not exploring, that is a done deal.

Read that the survey is non-binding and only intended to gauge your interest, after the fact. The survey asks if you are in favor of pursuing the project and then asks if you would support the project if it improves the visual conformity throughout the community. The second question is manipulative in that you not supporting then you are hurting the community, bit of a guilt play. Doing only the Washington wall will destroy the visual uniformity.

The decision has been made just not formalized and the survey is a self-serving tool.

Only a limited number of homeowners were aware of the Board's plan since it had not been shared previously in any detail outside the Board meetings. This "Update and Enhancement Plan" is to use a whitewash stucco finish that is same as our entrances on the exterior of the Washington Street slump block walls. While this may sound like a good idea, the thought process is deeply flawed. This method of wall treatment over the 1,200 linear feet is inherently problematic; it does not mitigate noise from Washington St. which would be beneficial to the homes abutting the street and the finish will be prone to premature degradation, damage from water stains and surface cracking, and will look out of place with the Sagebrush wall.

The low bid is \$78,000, but does not include any prep work; tree removal, crack filling, effluence remediation, water membrane sealer, or cleaning of the existing surfaces which, according to Don Holmes, the Board member soliciting the bids, will be required. Apparently, there were two or three other bids that were double or triple the price that may have included the prep work but that was not shared during the meeting, nor is the information available from the Board or Management company. They are not required by law to share that type of information and they pointedly refuse to disclose information when requested. The lack of accurate or complete information during the meetings and the deliberate lack of transparency is a troubling indication of bad management.

One **Major** item that was not discussed by the Board was the impact on our monthly HOA fees. This type of wall finish requires significantly more ongoing maintenance expense than the existing block wall. Also not discussed, was the Sagebrush wall, how two different walls would look and the additional expenses there.

Simple questions, were there any alternative plans or concepts considered or proposed? Is there any third party information as to how this helps home values compared to allocating money to the park improvements?

The Critical Issue that was not addressed is that the Board does not have the legal authority to spend this sum of money on "**Capital Improvements**" without approval of the Membership. (Capital Improvements are legally defined and include updates and enhancements The wall finish does not extend the wall's life or repair damages which is what our reserves are intended to fund at the Board's discretion). The Board can **NOT** spend a sum that is more than 5% of the annual budgeted expenses without a majority vote or written affirmation of the homeowners, and the survey is not an affirmation or approval. Below are the relevant sections from our Bylaws:

3.10 Limitation on Powers. Notwithstanding the provisions of Section 3.9, the Board shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of a quorum of the members of the Association:

3.10.2 Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the gross budgeted expenses of the Association for that fiscal year. This section shall not limit expenditures for repair, maintenance and replacement of reserve line items;

At best, the HOA Board and its Management Company are ignorant of our governing documents and simply incompetent, or at worst, are knowingly managing our money for a benefit that is not aligned with the best outcome for the homeowners.

The Board and Board members operating outside their legal authority, not meeting their fiduciary responsibilities, and not acting in the HOA's members' interest can be held personally liable so that the HOA members do not bear the cost of their actions.

As homeowners we need to become aware, involved and work together to restore competent management for our HOA. The Board's actions are becoming alarmingly worse; degrading our home values while increasing our costs of ownership. This runaway plan of Common Area Improvements for the Washington St. walls does not solve any of the problems that we encounter every day at the gates, with parking, with the expensive and non-functioning cameras and a lack of amenities in our park, to name just a few items. The Board members lament their lack of an action plan with a list of priorities at each Board meeting indicates that they are incapable of managing our HOA with any competence.

Board and Board members that:

- Refuse to communicate with owners;
- Are not transparent in their actions;
- Do not follow our governing document's procedures;
- Act outside their legal authority;
- Do not keep accurate or complete records;

Should either resign or be recalled and removed.

As stated earlier, as homeowners we need to become involved and work together to restore competent management for our HOA. A responsive Board that listens, communicates openly and acts within their authority is urgently needed. As homeowners we support recalling this entire Board before they do unrepairable damage to our property values and community.

Thank you for your time and attention to this unfortunate matter.

Sincerely yours,

KC and JoLe Wilson