

Letter to 3 Chisolm HOA

Dear friends and neighbors,

We will have our annual meeting of the 3 Chisolm HOA on February 3, 2020. I hope you have already received by email and by US post the notification of the meeting date and its agenda (Monday, February 3, at 5:30PM on the 3rd floor hall of Main Building). I look forward seeing you all there, especially our new homeowners.

Since this year's meeting coincides also with the decade change, I thought I should review with you the state of our buildings, the improvements planned and accomplished, and the financial needs of HOA. The general state of our HOA is good. Financially, we have two more years to pay down our debt of about \$500,000 that went toward the construction cost of \$2.5 million for renovations to the foundations of Gym and Main buildings. The current outstanding amount of debt is now approximately \$135,000 that will be matured in March of, 2022, with payments of approximately \$5,000 per month from our operating budget. Financially we have \$175,000 in reserve funds in three interest bearing CDs.

The Buildings

The foundations of the two buildings were recently inspected and were certified by our structural engineering firm to be in excellent shape. We were advised to install a sump-pump in the Gym building crawl space to prevent water seepage and accumulation, which we did a month ago.

We also undertook to paint the interiors of Gym and Main buildings using new color schemes as per professional advice of some of our homeowners. I am delighted to tell you that the color schemes have been universally pleasing to most if not all of residents. We spent about \$80,000 on the painting project. In addition, we had the building stucco washed free of its 10 years long mold.

I hope we will soon have a new security system installed in both the Gym and Main buildings. This new system will be installed and maintained by Sonetril and will be cell-phone and internet-based and activated by individual cell phones, requiring little hard wiring in our crawl spaces—the source of continuous breakdowns and large expenses of the old system. The new system will operate with both an electronic key or keypunch pad. The Board chose Sonetril to install the new system after much deliberation as to the quality of service and novelty of equipment from various systems offered by the vendors.

Since the new security system is in part internet-based, the board has discussed possible installation of a WIFI system in both buildings, somewhat similar to hotel WIFI systems. Tommy and I have met with representatives of WIFI internet companies and have been assured of the security, speed, and reliability of such a system. The system will be free to individual

homeowners and will be paid for by our monthly payments. The system will obviate the need for your personal internet system.

The Grounds

We have had great success in improving the grounds, the landscaping and the planting of shrubberies. We installed a knee-high wall in the front approaches of our two buildings that has protected our buildings from flooding and has saved our bushes from sea water damages that were an annual headache and expense. In the courtyard and cottage-front beds, we planted dwarfed Mondo grass surrounded by boxwood bushes. Very pleasing, indeed! We have planted a number of flowering bushes: camellias, gardenias, azalea, tractor-seat plants, etc.—that appear to thrive well in our environment. We are grateful to homeowners who donated to the planting expenses. The parking areas around the Main building were also repaired and bushes were planted in the beds surrounding the parking area. A French drain was installed behind the Main building to divert the flood waters from the coast guard parking lot into the city sewer system.

The curb-side beds in front of our building had deteriorated badly. The grass had been burned by dogs urinating on it and the exposed dirt had turned into unattractive muddy field. We have replaced the sod wherever possible and covered the rest of the dirt beds with blue river rocks. We feel that this has greatly improved the looks and the approach to our buildings. The positive feedback from residents has been rewarding.

The HOA Board

I have been honored to serve as the chairman of your Board for over four years. I feel it is time for me to step down from the Board and let other members of the HOA lead the Board. My tenure, as well as the present Board members' tenures, were unduly prolonged because of HOA legal suits as well as renovations of our foundations that required continued oversight by board members familiar with the history of construction, financial contracts, and legal suits. Complicating these issues further has been the change in ownership of the 3 Chisolm units from permanent residents to part-time owners, and homeowners with either health or business commitments, reducing the availability of homeowners to serve. At present four out of five board members have served for four years or longer. The Board has been able to identify three new homeowners who are willing to serve on the HOA Board. I have been lucky to serve with a Board that had professional expertise on legal, financial and construction matters, and I feel that it is important, given our outstanding legal and financial issues, to have professional expertise in these areas on the Board.

We are grateful to Pam Simons, Jim Hollingsworth, John Roven who have agreed to replace Shawn Wallace, Dick Simons and Martin Morad on the Board. Steve Bernard and Greg Van Schaack will continue to serve on the Board. The old Board has agreed to continue serving for a few months longer as the new Board is transitioned in. I will continue to represent the Board in its legal suit against Steve and Deborah Bernard to assure no conflict of interest between Steve as the member of Board and his lawsuit against the Board.

As you were informed officially by Tommy Knisley, you may also nominate any other member of the HOA, besides the five members mentioned above, who are willing to serve. There will be a vote by secret ballot to elect the three new members of the board. I look forward seeing you on February 3, 2020, at the annual meeting.

Let me once again thank you for the honor of serving you as a Board member for the past five years.

Martin

January, 22, 2020