

Letter to 3 Chisolm HOA Members

January 24, 2018

Dear Friends and Neighbors,

As we approach our annual homeowners' association meeting on February 12, I want to take this opportunity to bring you up to date on the state of our HOA.

### **Buildings and grounds**

In the past year, we have faced floods and hurricanes that have damaged our landscaping, caused structural damage to our handicap ramp, and produced major leaks into a number of units. Your board has taken steps not only to address the leaks but has been proactive in taking steps to prevent or reduce damage from future flooding and leaks from the roof.

Toward this aim we are constructing a 20-inch high wall around the landscaping area in front of the main building to divert the river of floodwaters that come from Traad street. You have probably noticed the preparation of ditches in front of the main building. The reason for the delay in building the wall was to await city inspector's approval for the foundation of the wall. We have also installed a 100 foot "French flood drain" behind the Main building to divert the floodwaters invading our property from the coast guard grounds into the sewer manholes. In addition, we are exploring installing floodgates on all six doors of the main building and the front door of the Gym building. We hope also to install a composite plastic barrier all along the fence between the Coast Guard property and us.

Major leaks in the main and gym buildings from defects of the roof are either complete or are underway. Our new management team has been very proactive in obtaining bids to fix the defects of the Gym building roof, and as of this morning, the work on the roof is proceeding smoothly. I was told that it should be finished by the weekend. Hopefully the homeowners of the Gym building will never have to face the discomfort and agony of roof leakage in the future.

To address the separation of handicap ramp on the south entrance of the building, we have asked two structural engineers for proposals on how to address the repairs. We have been told that the cracks have developed either by differential ground settlement beneath the two structures or secondary to floods that inundated the Traad street side parking lot. I have obtained an estimate of about \$8K for replacement of the ramp. We plan to do the work in July of 2018, so as to cause minimal disturbance to the residents of the Main building.

As we look to the future years 2019-20, we have to address the developing stucco cracks of the Main building and power wash the façades of the buildings. Your board has also solicited bids from a few interior designers to upgrade the entrance halls of both buildings and repaint the interior halls, woodwork and stairwells. We have been advised to have a comprehensive plan to address the interior decorating, rather than just to repaint the walls. I hope the membership

will advise the board on this issue at the annual meeting, as our finances in the next two years are not sufficient to take on a major expense that may approximate around \$100K.

### **Management and Finance**

The Board had received numerous complaints from residents regarding the Sentry management team. Numerous discussions were held with Sentry representatives to address this issue but were unsuccessful to keep Sentry running our Association at a level that the Board felt appropriate for our residents. The Board then interviewed three other management companies and settled on Knisley Management, which we hired as of January 1, 2018. It is my general impression from talking to our neighbors that this change has been a welcome improvement to our neighborhood. Tommy Knisley has been very responsive in addressing many of the issues that were sources of great aggravation to the residents, including leaks, roof repairs, and malfunctioning courtyard doors. I am confident as we continue working with Tommy, you will notice great improvement in efficiency of management services.

### **Finance summary**

Our esteemed treasurer, Dick Simons, will give you a full report on our finances and the budget for 2018 at the annual meeting. He and board member Linda Hojnacki have been working to make the budget more transparent. I am truly grateful for their efforts. I urge you all to join our new Website, capably managed by Linda, to read the board minutes and receive the latest news on our association. (

For those of you who are new to our association, we had to raise \$2.5 million in repair costs of the Main and Gym buildings. To pay fully for this large amount, a previous board under the presidency of Ms. Mims Roberts voted to assess each unit \$82K and borrow \$450K for a period of five years. As of the beginning of 2018 we have about \$200K remaining in our debt, which is being paid-off by monthly payments of \$5K from our monthly assessment funds. At this time, I do not foresee any new assessments in the near future. I hope that by 2020, when we are free from our debt to the bank, we can start addressing some of the issues facing us with respect to the condition of the buildings.

### **Legal Matters and Law Suits**

As you may know the Association sued the developer of our condominium association and its insurer and architect successfully, and in resulting mediation we were granted \$400K, which was divided among the owners of units that had been assessed.

A second law suit was lodged by Mr. and Mrs. Bernard, as a class action on behalf of the resident-owners against the insurers of 3 Chisolm Boards of 2003-2006, claiming that those Boards failed to address reports of possible foundation defects of the Main building. It appears that a mediation session is scheduled for March of 2018. We all hope that this suit will be successful for the unit owners who had paid their share of the \$2.5 Million assessment.

### **Election of Directors at the Annual meeting**

Critical in considering directors of the Board is not only the willingness of Board members to serve and their professional expertise, but also the amount of time they spend in Charleston during the year. Serving on the Board is a time-consuming and at times aggravating duty, but it is also rewarding, especially when one can improve the conditions that affect our neighborhood.

You have at present a capable and hardworking Board that is willing to serve until 2019. We have the services of Shawn Wallace, a labor lawyer, as vice president of the Board; Dick Simons, a retired banker, as our treasurer; Steven Bernard, a semi-retired real estate lawyer, as secretary of the Board; Linda Hojnacki, a business executive, as delegate at large, and me, Martin Morad, a still working scientist, as the President.

According to the Master Deed, homeowners can nominate additional candidates at the annual meeting who would be voted on by secret ballots. The new Board will then meet to elect its officers for the following year.

I look forward to seeing you all on February 12, 2018, on the 3<sup>rd</sup> floor of Main Building at 5 PM. I urge all to attend. If you are unable to attend, please send your proxy to Tommy Knisley or me at your earliest convenience.

Martin Morad