

Dear Mr. Aliperti, VLC President:

Re: Fiduciary Duty, Financial Committee, Open Information to Owners, Gate Codes, Closed Meetings

Five persons were elected on 1/28/14 for the purpose of managing the business affairs, and the other business matters of Van Loon Commons Condo Association, Inc.; not to be employees or serfs of the one designated as President. As stated to me during our 2/3/14 telephone conversation it was your decision to cancel the scheduled meeting where I could be present on 2/1/14. Due to this action, I did not have the opportunity to make a nomination for President nor vote for officers. The designation of President does not come with the authority to enforce statements of what will and won't be tolerated, unless there are new violations or punishments to be added to the existing, overly comprehensive list of rules of which I am not yet aware. When boards do not conduct themselves in accordance with the existing laws and fail to disclose to owners negative situations as they are occurring, "gossip" may be the only way owners gain information to which they are entitled. This "gossip" can be the catalyst that launches increased interest in our association's affairs, as it did for me. I personally have no interest in anyone's personal gossip nor being involved in the social hierarchy; only what is affecting our investment in this community. Financial mismanagement leads to social disorder, when owners receive unexpected increases and no explanations throughout the year.

My family, social life and work are separate from community affairs and my concern is for the short and long term financial health of Van Loon Commons. This should be the priority for all board members who are acutely aware of the struggles many are having with the additional burden. Without responsible oversight, planning and management of our financial affairs, the funds for the projects we need and want will be scarce. Restoring social harmony requires restoring fiscal responsibility, accountability for decisions and actions taken and respecting the rights of all owners, whether known personally to board members or not.

Due to my employment the rescheduling of the 2/1 meeting to 2/6 at 1pm, I was prevented me from attending in person or by telephone. This was known by all board members and I had expected to receive an update from any of the other BOD members on what occurred, including who was selected for what offices. The only update I received from fellow board members is copied below:

Sent: Thu, Feb 6, 2014 8:47 pm ; Subject: Rick Aliperti New Email

Hi Everyone,

Thanks for your vote of support today and adding so many great comments to our Board Meeting.

There was a large gathering of owners and the feedback was very positive and they too seemed energized by our presentation. Now the work begins to live up to the potential and commitments we made for communication and open workshops including owners in committees to explore positive solutions to our water issues, parking lot sealing, landscaping and more.

If Brenda, Paul, Cathy and Pam can formulate an Agenda for us to review covering these items and any that I missed from today's meeting that would be greatly appreciated. I would like to get this meeting set with the 48 hour notice for Tuesday @4 if possible. If this does not work my next opening is Saturday the 15th after the coffee gathering and clearly I am open to your suggestions on this.

*As for the crowds response to Sentry and the proposed termination I think Lucia was incredible. It is very tough to address the stress we all have been put under without pointing fingers at any one person or group. The crowd overwhelmingly supported Lucia as I think the 4 board member in attendance do too. **My message to the owners was***

clear- pool gossip, name calling and unfounded accusations by any owner, renter or board member will not be tolerated! If they want answers I or any board member is available and we will get it addressed in a positive and respectful manner. As for future email communications I will only respond to this new address.

As for communications to Lucia they will all now go through me as the president. Any inquiry asking for any information other than current agenda topics will not be addressed. **This board will not support or supply any information for independent and unauthorized assaults against owners, past or present board members.**

My intent is not to shut anyone out but to insure we all work as a team providing solutions in a positive manner.

Once again thanks for your cooperation and support.

Rick Aliperti

Several owners emailed me or telephoned, with concerns that the water meter issue is being delayed and mentioned derogatory comments made late in the meeting which they intuited as directed toward me. Had the meeting taken place as originally scheduled at 1pm on Saturday, 2/1/14, I would have first hand knowledge of all that was discussed. Instead, I received an email notifying me of the cancelation at 11:30 am on Saturday, after preparing for and scheduling my day around . Later, I was informed by other owners, that the decision to cancel had been made on Friday and many were aware of it but the official cancelation was not announced until after the social coffee on Saturday. During a telephone conversation which you requested with me on Feb 3rdth, you confirmed this and stated it was your decision to cancel the meeting on Friday. To not have informed me was inappropriate at the least and it is unclear on what perceived authority you acted.

A follow-up meeting was scheduled for mid-day, 1pm on Thursday Feb 6, based upon the stated availability of Ms. Stiles of Sentry. As you are aware, I am employed full time as a Revenue Agent for the Department of Treasury and requested the meeting take place at 6pm on the same date or Saturday the 9th, and could be available by phone or Skype. The reply from Ms. Decraene which I can only assume was agreed to by the other board members was “We” decided to keep the meeting at 1pm. The most pressing issue we are facing is not the fountains, landscaping or the parking lot but the state of the budget and projecting to 2015 if there are shortfalls created from overspending on legal bills, non billing for water, or uncollected dues in 2013 and as 2014 progresses, tracking our position. It would seem that my attendance would have value and schedule considered.

Scheduling the next meeting for Tuesday, Feb 11th at 4pm requires me to take leave from work. I have offered my services, education and experience to the association so we do not further erode, by relying only on paid advisors with zero personal investment in the results. Their revenues increase when we flounder. I hope going forward you will consider this when scheduling working or regular board meetings, as my work schedule is planned one month in advance.

I suggest that a valuable committee would be a **Financial Committee**, and seek volunteers who have educational backgrounds in accounting, finance, law or managing of business budgets. . We have several owners with extensive financial backgrounds that could review accounting and banking records in real time; using internet or emailed files, for planning, tracking and cost savings.

Regarding the statements above in (which I added Bold); the contract between Sentry and the association does state that one board member is to be the communicator with the “agent” and that is understandable. However, based upon your statements it appears you do not see a value to the financial review I have been trying to prepare. Being a board member does not exempt me from

making a request for financial information or communication records such as board emails and will be requested when considered necessary. The financial information for the past and present year is vital to assess our status and the association is required to provide unless specifically excepted. To try to control or block owners from receiving information can be perceived as a form of intimidation and should never be allowed.

A review of the December 2013 invoice by Mr. Himschoot's firm shows \$1,352 paid to review items of correspondence, referencing me by name and relating to dates I sent inquiries regarding our water meter and billing issue to Sentry, not Mr. Himschoot. In fact, I did not know his name until 12/30/13. One charge of \$455 on 12/30/13 was related to reviewing an email sent by me to Sentry's Ms. Lowman on 12/30/13, requesting only the "NAME" of our attorney. Mr. Himschoot himself replied to me of who he took direction from and that no board meetings had been conducted by email. This is an outrageous waste of our funds and this type of unchecked spending takes from what we should be doing. It should never be allowed for any boards to have unlimited access to attorneys for consults on matters that are clearly defined under Chapter 718.

The issue of the water meters is something that needs to be immediately corrected. As a member of this board I am stating for the record, that it **is our fiduciary duty to uphold the existing amendment, have the meters read and bills issued for water paid by the Association.** Going forward, we can discuss and put to ALL owners if they think a more fair allocation of fixed costs should be assigned. To discuss this now is to only delay and delaying further means that units will be sold or transferred and the consumer of the water no longer able to be billed. Persons who purchased their units under the expectation of paying as you go, and did not have the situation disclosed to them may have basis for action against the association for not disclosing the true financial picture, as well as everyone else not informed.

When we spoke by telephone on Feb 3rd, you stated you wanted us to see if the 3G meters offered for free replacement by Champion were the best in the business and that Ms. Decraene told you the amount of unbilled water was 33k. As the prior board was aware, new companies will charge each owner again for a new meter and I told you that owners do not want to be hit with an additional charge. It is my understanding that the meters manufactured by 3G are of excellent quality and I stated that if in a few years, owners want to "upgrade" or pay for a new meter, that could be addressed. At this time though, an additional expense should not be considered if not necessary. Without the actual bills paid to the City, I cannot confirm if the 33k amount is correct of the amount of unbilled/uncollected or if it is more or less. The issue of the exact amount is less important than abiding by the governing documents and exploring if the full voting interests desire a change in the future. I can assure you I will monitor future election processes to verify all voting interests have received their ballots.

The adjusting entry on the financial report provided to us by Sentry, reducing Water to zero and reporting Utilities under budget for the year does not reconcile projected year end budget passed on 11/27/14. The projection for Utilities as of November for year end was 165k, yet the year end financials received from Ms. Stiles showed Utilities under budget at 144k. Where were the adjusting entries moved to and why does the report not reflect our actual Utility expense. A full review of all the books and record, reconciliation to actual bank account statements and canceled checks should be done, including explanations of adjusting year end entries. We have

owners who are degreed accountants, some with forensic backgrounds like my own that could assist rather than relying on expensive outside services initially. This would save us considerably as we could limit the scope of our audit of 2013 and use the review in projecting for 2015 which should be in process on an ongoing basis. If we are not aware of shortfalls, or not planning, we will be explaining with egg on our faces of the reason for increased quarterly dues or Special Assessments.

The unbudgeted Legal bills of 26k combined with unbilled water in 2013 may have a significant impact in 2014. Without the full year, General Ledger Detail requested, I am unable to determine if there are additional areas of great concern or if reserves were used to pay operating expenses. The Special Assessment will bring cash in for the short term and the bank balance may appear healthy but it was allocated to the specific projects not yet performed and obligations through 2015. If the cash collected now is used for current spending over budget, how will the Schindler payments be made at year end? Our budget does not include "extras" that can be eliminated like a personal vacation trip or new car.

If we the owners voted to eliminate the Water Amendment and return to unmetered water; the budget passed in November 2013 included 86k for the unmetered water in 2014. This appears based upon the known actual from April to December 2013 and an estimated 25k for January to March, the most populated months. If the studies are correct that water usage goes down an average of 28-33% with metering, we could have a possible shortage in 2014 of 25k. We should be comparing the month of January budgeted at an average of 7.1k to the actual outlay and tracking. As this has not been done yet, an advisory to owners would be prudent that usage may be billed individually and quarterly dues adjusted.

Several owners have stated they are prepared to file litigation on this matter, if not handled by the new board. Litigation would result in increased legal fees to whomever the association retained to represent it, and increased expenses to the association and should be considered only if no action is taken.

I have also stated previously that I object to closed meetings unless they do meet the listed exceptions under the law and object to the board considering making special payment plans for individuals. No owner should have to grovel to the board to be given relief on the large financial increase we were hit with nor should we be so arrogant as to think it is in our right to do so. The function of the board is to operate fairly to all, not make decisions based upon our personal feelings. If we are to offer a payment plan to one for relief, it must be offered to all.

For future meetings and discussions: Gate Codes – consider allowing owners to select their own PIN, four digit number. This could be changed as one tenant moves out, and the landlord re-rents. The current system does not work as in addition to persons being able to return, any owner can figure out another owner's unit code from the pattern. We also need to address cars that wait to follow another car inside which we have done ourselves when the gate is open.

Catherine Hutton