

JANUARY 2021 CLUB HOMES I NEWSLETTER

Dear Club Homes I Homeowners:

During the Town Hall held on January 6, 2021 on topic of Commons Board several homeowners attended, the Club Homes I Board shared with homeowners the two primary functions the Commons Board must fulfill for the Club Homes Community is:

1. Accountability to each of the 4 Club Homes Boards
2. Fiduciary responsibility to 180 Club Homes I homeowners

Unfortunately, after extensive records investigation, we learned the Commons Board is deficient at both criteria.

Irregularities were found, and when we asked the Commons Board leadership to explain, they avoided answering the questions. Of course, this caused us concern and we felt we needed to undergo a records investigation to get the bottom of our questions.

Records inspected to aid understanding of Commons operations were:

1. Copy of the 2020 Commons Budget and proposed 2021 Commons Budget
2. Copy of the full year 2020 Commons Financial General Ledger), i.e. what was actually spent during 2020 on each line item vs. what was budgeted
3. Copy of the governing documents for Commons Board

After completing our records investigation, we conclude we have reason to be concerned. There is obvious Commons judgment needing correction, and we are left without financial irregularity explanations from Commons leadership. The intent of this newsletter is to build awareness to our homeowners of the problem and encourage your involvement in Commons operations.

Provoked by all the irregularities and dysfunction shown by Commons Board, Jan Neubauer submitted a planned resignation January 2021. Jan's tendered resignation from Commons Board thus allows certain advantages for our Association: #1) to focus on controlling the Club Homes I distribution of funds going to Commons Board; #2) to be a watchdog on Commons expenses; #3) to challenge and resolve unusual abnormalities. So far this month there are two Club Homes Presidents, CH I and CH II, having resigned from Commons Board, for similar reasons. Quite unsettling!

Here are some of the critical facts leading to resignations. The Commons Board is **not**:

- Building on Accountability and fiduciary responsibilities
 - Not showing accountability to the 4-Club Homes Boards (not planning funds for **all** Commons properties, and not showing interest in being anything besides "The Pool Board")
 - Not being a responsible property manager for **all** Commons properties
 - Not fulfilling its fiduciary responsibilities to 180 Club Homes homeowners

- Not strengthening its reporting relationship with each of the 4-member Association Boards
- Sticking within their boundaries, responsibilities/roles
 - Merely an executional branch of each Club Homes Association Board, take direction from each Association Board
 - Need to develop better relationships with each Club Homes Board
- Improving on Budget Protocol
 - Welcome input from each of the Club Homes Associations
 - Considering alternative options for budget overage spending and approval, before spending as well as reserve account management.
- Properly Recommending Vendors
 - Making smart, and correct, vendor recommendations to each Association Board by submitting only qualified, **licensed and insured** individual names for consideration
 - Ensure no conflicts of interest, or vendor selections based on personal friendships
 - Get minimum of 3 bids to share with Club Homes Presidents before decisions made
 - Follow up on vendor work performance (firing vendors where demonstrated work performance is lacking)

As homeowners, we all need to take an active part and be diligent to oversee Commons Board operations to tighten up on spending. It's your money going into Commons Budget, it is time to learn more about this Commons organization and eliminate all the issues cited above. If you need any further explanations or guidance on topic, please do not hesitate to reach out to a member of your Board of Directors.

Respectfully,
Club Homes I, Board of Directors