

Mr. Mordecai,

I recently requested that the Board of Directors allow me to meet with you in person, along with one other Board Member, to see if we can explain a few past decisions, so that you can have a better understanding of the business of the community. Below is the list of questions you provided me and although I will provide a written response, I look forward to meeting with you on Thursday so that we can spend a few minutes discussing these answers and answer any additional questions you may have. Below are my answers or responses in red.

Thank you!

Cary Brackett,
Quality Management Services, Inc.

Questions/Statements:

Cary,

I appreciate your willingness to resolve the concerns of the community. As you know, many home owners are concerned because over the past year, they have had to volunteer their time on committees, get lower bids for various services, and clean up the premises to obtain thousands of dollars in savings, but are now faced with yet another fee increase and a \$400 assessment.

Answer/Response:

You're very welcome my door is and always will be open to discuss any issue at any time. I may not always give the answer that some want to hear but I feel I'm a pretty straight shooter and will always give my honest straight forward opinion. I know there was no direct question here but I think your question is why do is there a fee increase and \$400 Special Assessment. The Finance committee discussed many cost saving alternatives, which were then discussed by the Board before approving a final 2009 budget. The Board carefully reviewed the budget and unanimously approved it. The simple answer is that those involved felt this increase was necessary for the current and long term financial health of the community. The involvement of volunteers for whatever reason is a testament of the great people willing to share their very precious free time and the pride they have for the community that they live in. The \$15 assessment is needed to cover our operating expenses, which included a massive increase in our insurance premiums. The reason for the \$400 Special Assessment was to help spread out the money needed for reserves and necessary replacement projects coming up this year. By doing this as a Special Assessment due in two payments this allows the homeowner's to either pay monthly, quarterly or bi-annually. These increases are very frustrating and I would like nothing better than to tell your neighbors that it's not necessary. I think it's important to say that neither Board nor QMS benefits one penny from these increases, and whatever money you pay goes to maintaining or improving your community.

Question/Statement:

They are also concerned because complete staircases have been replaced, at great expense, rather than just the few ice-damaged ones at the bottom, but those bottom stairs continue to be damaged by the root of the problem—a lack of weather protection.

Answer/Response:

In my opinion the stairs should be your communities' biggest concern. This is not just ice damage to a few bottom steps. All of the first and second phase stairs were purchased from the same provider and are in different stages of decay. They are literally crumbling away; some are ready to go any minute while others are showing stress cracks. Unfortunately, the contractor that supplied those stairs has gone bankrupt and I'm told there is no one to go after for this inferior product. Several years ago, before I came on board the developer and the HOA changed out many of the worst ones and these steps seem to be doing ok so far. So, now we have started on a few buildings to replace the steps to the same grid type steps being used on the newer building. So that we don't have different style steps on the same building we change all of them but have stored the good replacement steps. When we have enough of those to type steps to do an entire building, then they will be installed. I agree we have certain design problems for water, ice and snow but that is not the problem with the steps, they are just a very poor product. In fact the steps that have already broken have been in the center with less water and ice. My biggest fear if we don't address this problem quickly is that someone can be seriously hurt or even killed if a step breaks and someone falls through.

Question/Statement:

Last year's extremely high snow removal fees, a reported \$30,000 worth of trees purchased when we were already in financial trouble, and the hot tub running in the winter (despite promises to shut it off) also contribute to the concerns.

Answer/Response:

Yes, it was very unfortunate to have such an expensive snow removal year under the circumstances of having such a minimal bank balance which was why we originally were calling for a \$30 increase for 2008. I'm not sure what you're talking about but I assure you we didn't spend \$30,000 on trees. There was a large landscaping project in the summer of 2007 as a result of a survey whereby the majority of those that responded expressed that the number one concern of the community was the landscaping appearance. There was mulch, sod, bushes and some trees purchased but the majority of that expense went towards redesigning with rock and dirt the washed out slopes next to many of the entrance steps. Those areas were seriously washed out and causing too much stress on those steps that long term could have created expensive repairs to those concrete steps. As to the Hot Tub shut down, I don't want to speak for any of the Board Members but what I heard is that they would consider shutting it down and it was discussed many times at several Board meetings and I suspect the issue is not dead and may still be turned off. That is of course a Board decision, and they must take

everything and everyone into consideration, even those that use it in the winter months and consider it an amenity or for those buying or selling that consider that a helpful selling or buying point (sometimes every little bit helps). I support the board and community on either direction they take on the hot tub but will add that it's a part of why you are an HOA and unique to other communities. If you shut down the hot tub to save money, then what's next? Don't open the pool? Close the clubhouse? Stop mowing the grass? The better question is how to properly maintain and enhance the community? What resources are needed to make your community shine and a place of pride?

Question/Statement:

Many are calling for the replacement of QMS, and possibly the board if they do not act.

Answer/Response:

Yes, I continue to hear that as well and I frankly feel it is counter-productive. Instead of supporting those that were properly elected to manage your community, you continue to challenge their every decision. I respect that that is your right but to what expense? You demand that the Board act...well, I say to you that they are acting and making very hard decisions that will affect the financial health of your community for many years to come, even at the risk of being ostracized. QMS and personally I have been attacked by several individuals and for what good reason, because I'm trying to do the right thing for your community? I have overheard so many mistruths and mistrust towards the management and the Board that I have to scratch my head and wonder where it all comes from. If we somehow did the opposite, no fee increases and never spent any money, I seriously feel that we wouldn't have heard much from the community and that action would have been far more detrimental and even borderline criminal.

Question/Statement:

I would just like explanations for the above problems. I also don't think it would be too much to ask to spread the assessment out over two years--that would show your willingness to compromise.

Answer/Response:

Yes, it would be easier to spread this over two years that is very true. Unfortunately, the money is necessary to pay the bills and to take care of the steps, after that there is not much left for other necessary projects and I certainly hope that we don't have another bad and expensive snow removal season as that would change our current plan. I really do understand that this presents a financial burden to everyone that lives here and I wish there was other ways to increase our revenue without increasing your fees.

Question/Statement:

I would be happy to post your answers on the Willow Springs Condos blog and argue in your behalf if you provide acceptable answers to these questions. (I really don't want to go through all the work of sending another petition around, etc.)

Answer/Response:

Thank you and we look forward to holding a community Q & A after next month's annual meeting and election.

Question/Statement:

Again, I am not interested in a personal meeting because then I may be convinced, but there are still many others who might not be. I hope we can find an amicable solution to this situation.

Thanks,

Josh Mordecai

Answer/Response:

As do I and thanks for the opportunity to clear up a few things.