

Resignation from the Whisperwood Homeowners Association Board of Directors

From Priscilla Elliott, Member at Large
To the Members of the Board and the Residents of Whisperwood,

Please accept this letter as my formal resignation from the Whisperwood Homeowners Association Board of Directors, effective immediately.

There are several reasons for my resignation, and I would like to take this opportunity to explain them.

1. Liability Concerns Regarding the Swimming Pool

My primary concern is the operation of the neighborhood pool.

The pool is no longer being monitored or staffed in any capacity. After discussing this matter with counsel, I have been advised that this creates a significant personal liability concern for every member of the Board.

I have also been advised that the Association's insurance agent has not been informed that the pool is no longer staffed or monitored. Should an accident occur, the Association's long history of staffing and monitoring the pool could establish a reasonable expectation by members that the pool would continue to be supervised. If the insurance carrier determines that the risk materially changed without notification, there is concern that coverage under the Association's policies, including Directors and Officers liability coverage, could be affected. In that event, both the Association and individual Board members could face personal legal exposure.

For many years, the Association employed certified lifeguards to supervise the pool. While it has been argued that other neighborhood pools are not staffed, I do not believe that comparison alone eliminates our responsibility. Every association has different circumstances, budgets, and histories. Whisperwood has historically staffed its pool and has the financial resources to do so. The pool is the Association's primary amenity. Aside from maintaining our common areas, the pool and pool house are among the Association's principal responsibilities and priorities.

2. Financial Reporting and Accounting Concerns

My second concern involves the Association's financial records.

I have compared the Treasurer's Reports to the Association's bank statements beginning in January. After spending many hours attempting to reconcile the reports, I have identified approximately a \$18,000 discrepancy.

January is the only month I have been able to reconcile successfully. Beginning in February, I have been unable to reconcile the financial reports with the bank statements.

Additional concerns include:

- Transfers from the Money Market account to the Checking account without Board approval or explanation in the Treasurer's reports.
- Corrections made to financial reports without explanation.
- No apparent monthly reconciliation of the books since January.
- Capital expenditures, including pool tarp, electrical, and plumbing expenses, being reported on the Profit and Loss Statement rather than being properly reflected on the Balance Sheet.
- Financial reports and meeting minutes not being distributed to Board members sufficiently in advance of meetings to allow meaningful review.
- The payments made to the bookkeeping company also raise questions.
- To my knowledge, the Board has never approved a bookkeeping contract, nor has one been presented to the Board for review.
- The payment history appears inconsistent:
- January: \$1,000 payment, which appears consistent with the onboarding fee in the proposal.
- February: Two separate \$500 payments (\$1,000 total), one by automatic debit and one by check.
- March: Two separate \$500 payments under the same arrangement.
- April: No payment.
- May: No payment.
- June: One check for \$1,600, averaging slightly more than \$500 per month for April through June.

This payment pattern is irregular and, in my opinion, requires explanation.

I also want to document that the Board previously agreed to maintain \$140,000 in an Emergency Operating Reserve, and I believe immediate attention should be given to ensuring the Association is brought back into compliance with that commitment.

3. Board Communication and Governance

My third reason for resigning concerns the overall functioning of the Board.

For months I have received numerous phone calls from homeowners expressing concerns about the operation of the Association. Initially, I forwarded these concerns to President Randall Hamilton and Secretary/Treasurer Marnee Gamble Bolen. Over time, however, many homeowners advised me that their calls were not being returned or that they believed no action was being taken. I eventually stopped forwarding the complaints because I no longer believed doing so served any purpose.

I have also become increasingly excluded from Board operations.

For several months I have not been included in Board email discussions. I no longer receive Board text communications. I volunteered to assist with delinquent account notices but was advised that the delinquency information could not be provided to me.

I was instructed not to communicate with the Association's attorney because only officers were permitted to contact him. As a Director, I found this troubling. It created the

appearance that legal counsel represented only certain members of the Board rather than the Board as a whole.

I also recall that, while serving as a Member-at-Large, Marnee Gamble Bolen communicated directly with the Association's attorney to order the 2025 waiver forms without prior Board discussion or approval. Likewise, had I contacted Peak Bookkeeping directly to inquire about financial discrepancies, I believe I would have been criticized for doing so as well.

As a result, I no longer believe I have been allowed to meaningfully fulfill my duties as a Director. My concerns regarding financial accountability and spending have consistently been disregarded, and I have been unable to influence decisions or contribute in a productive manner.

Closing

Serving the residents of Whisperwood has been an honor, and I sincerely appreciate the opportunity to represent my neighbors.

However, I cannot continue serving while carrying what I believe to be unacceptable personal financial and legal risks associated with the operation of the Association, particularly regarding the pool. I also cannot ignore the financial reporting concerns that remain unresolved or continue serving in a role where I am excluded from meaningful participation in Board affairs.

For these reasons, I respectfully resign from the Whisperwood Homeowners Association Board of Directors.

I wish the Association and its members the very best moving forward.

Respectfully,
Priscilla Elliott