

1 May 2025

To members of the Falls and Pinnacle HOA Board:

When I moved into my condo in 2019, I had little to no familiarity with Northeast Minneapolis, condo life and its governance. So I set out to learn about all three, through direct experience, talking with others, and reading about the specifics. Soon I was actively engaged in all three. I initially volunteered for the Rules and Regulation task force, thinking it involved setting up 'social' rules, and would be a good way to meet people - turns out the task was to review governing documents rather than party rules, and while boring, it was a useful introduction to condo life and governance. I also attended Board meetings regularly, got involved in discussions, and felt free to contribute opinions on issues. When Mark Sauter had to resign in 2021 for health reasons, I was appointed to the Board, elected in 2022 and president in 2023. Last year I served as treasurer, this year as vice president.

My guiding principles in forming opinions/votes regarding condo matters have been and continue to be basically three: 1) to secure (as much as possible) the financial stability and infrastructure integrity of the HOA; 2) to foster a strong sense of community, one that cares for current *and* future residents' well-being; and 3) to make decisions that are fair to all, seeking to weigh the interests of the 'silent' majority's interests as equal to those of the owners/residents' bringing requests to the Board. In contrast to my initial Board interactions, experiences over the last 18 months with you Board members have not been positive in the aggregate. The fiasco of the 2023 annual meeting (and Kristi Bostad's subsequent resignation from the Board) is perhaps the most visible - but certainly not the most significant - example of the rising tension that has been fostered through several different avenues. We on this Board have disagreed on spending priorities, our relationship with management, HOA dues increases, task force approaches, etc. But I have a tough skin, and assumed that occasionally being thrown under the bus by individual Board members - either actively or by acquiescence - could be dismissed as 'one-offs'... However, upon reflection I realize that was a wrong assumption on my part. The maneuvering and meanness have only increased, to the point where I now wonder if any contribution from me is accepted, regardless of content.

In the last 8-10 days, two events - unrelated in origin - have brought this concern to the forefront. Briefly, I outline them here:

- 1) At our March Board meeting, FACE committee presented the umpteenth draft of new rules regarding prohibited items in the trash area. Emails outlining the intended changes were submitted to the Board well before this meeting, and after discussion the draft was approved unanimously. Subsequently, when the committee was asked to do a final proofread of the document, a committee member responded that 'non-working' inadvertently remained in one line about electronics and should be removed; individual FACE members and myself (as liaison) concurred. The Board did not accept that change, even though it was contradictory to other approved sections within the document. Rather, the Board responded that a motion for the change would have to be brought to the next meeting. In the interim, Jeff proceeded to produce signage *with altered language to include 'nonworking' electronics, in direct opposition to the FACE committee's intent*, and had the signs posted at inappropriate sites. At our April 23 meeting, FACE brought forward the motion to correct the errors, yet all four of you voted to deny the committee's intent(!) reversing the vote the month before, and remained silent regarding Jeff's apparently unilateral actions, which disregarded both the committee's intent and their communications. And all of you either supported or again remained silent when I

challenged you in a private email thread for justification of that vote and silence. I remain stymied as to how any of this can possibly be regarded as professional or acceptable.

- 2) Also on the agenda at the April 23 meeting was the announcement of the Board planning session with Reserve Advisors (RA) for updating our reserve plan. Rob included in the Board packet a document he planned to submit to RA described as updating financials for end of 2024...but also included (without stipulation) was an altered dollar amount for line 8.100 regarding the HOA's 'loan #3' that differed by some \$90,000 from the current reserve entry. At various Board sessions, since at least January, I have been asking for details on how the new number was derived and have challenged the vague explanations that referred to including interest payments from Loans #1 and #2, even though those interest payments are not a reserve cost. My questions have not been well-received by Rob nor by the rest of you, nor have they been answered over the past four months. Until now, the Board had agreed to await a more detailed answer from our accountants. But the response from this Board in the past ten days has been stunningly reversed, and in my opinion, unprofessional and bordering on unethical. My questions were twisted into 'not trusting Rob' and 'interfering with the finance committee'; I was asked *not* to attend the meeting with RA, then was told that the meeting was a *finance committee meeting which I could attend as an observer but not a participant* (a total fabrication). In addition, at the meeting Rob refused to allow my question regarding the changes made (*unilaterally by him*) to be heard by the RA representative, in what was one of the most unprofessional performances I have ever witnessed. It was embarrassing, awkward for all attendees, and enabled by the tacit support of you other Board members to shut down my inquiry. I remain steadfast in my belief that the reserve is perhaps the most important responsibility of the HOA Board, and to allow such manipulation without corroboration is a dereliction of duty. I have continued to ask and be denied clear answers - and again am stunned that the rest of the Board seems unwilling to make sure it is an accurate change, for it will change the bottom line for this and future years in the reserve plan.

These two closely timed experiential jolts have forced me to step back and consider the process as well as the outcome of our governance process, and I realize I no longer want to be associated with the toxic strategies that have been used by this Board to secure specific outcomes. I cannot support the Board on actions that are taken without professional deliberations nor consideration of legal responsibilities. I regret not having the tolerance to see through the fitness center renovation, and to engage more fully with the FACE committee, but I cannot continue to participate in a governance culture that does not reflect my own principles and ethics. To that end, I am submitting my resignation from the HOA Board, effective today, May 1st, 2025.

In order to be maximally transparent regarding the contents of this letter, I ask that this resignation be read - by me or by another Board member, whichever you prefer - at the May Board meeting, and be included in the Board minutes. I will also be sending a copy of this letter to those persons with whom I have a direct involvement - that is, FACE, FCTF, FSR; to the current finance committee members, given the references to that committee in this letter; and to a few others. Thus feel free to share it as you wish. If anyone has questions or wish to talk about my decision, please feel free to contact me at hoa.mkaehler@gmail.com.

Marian Kaehler

cc: [many, as listed above]