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September 6, 2009

Board of Directors
Collins Lake Resort
Government Camp, OR

Dear Burke, Chris, Rhonda, Steve and Mike,

This letter is to discuss with you the appearance of violations to the Board's governance of the current reconstruction project on our resort. These violations affect the Board's fiduciary responsibilities regarding safety, liability, insurance, contracts and expenses during this difficult reconstruction project.

Today on Government Camp Loop Road adjacent to our resort, I saw a young, red-haired boy named Christian trying to catch his black, shorthaired dog. As I talked to him and tried to help him, he gestured toward Collins Lake and told me, "I live in Building L."

The Homeowner's Association has an interest in the following issues:

1. I am concerned for the safety of this child living in a construction zone.
2. I am concerned about the HOA's liability for this child's safety.
3. I am concerned about the terms of any agreement with Lorentz Bruun that allows him to be there, when for safety reasons, the owners of all 151 units are prohibited even from touring the site.
4. I am therefore concerned about supervision of the construction site and administration of the contract with Lorentz Bruun.

This is the second time I have brought to the Board's attention the appearance that people are living at the construction site. In my email of July 13, I stated that in a tour of the property, I saw lights and window treatments that indicated occupancy. Ronnie, the owner's rep, responded, "*There are a couple of other units being used but I was not privy to the terms of use nor was the Board.*"

Lorentz Bruun is using condo units for lodging. If they are paying for use, those costs are an expense of the Homeowners Association. The Board is obligated to know what they are paying for and to enforce the safety rules. Some exceptions are being made. For example Ronnie staying in his unit as the Owner's Rep makes sense. An exception for a child would not make sense.

When the board closed the resort, it effectively took possession of all 151 units and now controls every aspect of common and private property. It is the Board's fiduciary responsibility to decide if units would be occupied, why and by whom. All 151 owners have sacrificed the use and rental income associated with our ownership rights at Collins Lake Resort. I can only assume that the units Lorentz Bruun is using were volunteered by their owners to facilitate construction, and any rental income flows at the approval of the Board, without favoritism, back to the Homeowners Association which currently controls both common property and all units in the resort.

The Bylaws hold the Board accountable for the terms and expenses of the construction contract:

Section 3.7 "The powers and duties to be exercised by the board of directors shall include..."

(b) "Determination of the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures,"

(c) "Preparation and adoption of budgets,"

(d) "Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the common elements."

(e) "Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association..."

3.15 "No director shall receive any compensation from the Association for acting as such."

I am confident that Lorentz Bruun is accounting for their expenses in progress reports, and that they would be happy to provide invoices to back up their expenses. I am confident that our Owner's Rep feels highly accountable to the Board for what happens on the construction site, as he is tasked to monitor progress on our behalf and he cares deeply about this project. I am confident that the Board takes its fiduciary duty to the Homeowners very seriously and that any appearance of impropriety or danger to children will be corrected.

I am requesting three things:

1. Please include on the Agenda for the September 16th Board Meeting the topic of safety and compensation for unit rental during the reconstruction period.
2. Please clarify that any compensation is being paid to the Association and therefore fairly to all owners who are now sacrificing for this project.
3. Please include this letter on the website as an attachment to the minutes.

Thank you for your prompt attention to this matter, and for your unselfish service to our Resort.

Sincerely,

MaryJean Harris Williams
Owner, unit #84