

06/26/18

Clara Barton Condominium Unit Owners
616 E St. NW
Washington, DC 20004

Dear Fellow Unit Owners,

The purpose of this letter is to garner your support to effect change at the Clara Barton at Penn Quarters and inform you of our intent to recall three members on the current Board of Directors (BoD). Your support is needed to ensure that a) our property values do not decrease relative to the area's real estate market (to the extent possible); b) the building is maintained to the highest standard our HOA fees can provide; and c) the Clara Barton is restored as a luxury condominium within the Penn Quarter neighborhood.

Over the last year it has become very clear to many of the unit owners that the BoD has been slowly reactive to their job description, not proactive which should always be the goal of this body. A disturbing number of issues brought to the BoD by unit owners in the open monthly meetings are answered with "we will discuss that in Executive Session". The following examples are among the many (but not all) complaints lodged by a large and growing number of unit owners:

- **Audited Financial Statements:** Financial statement audits have not been provided to owners in over seven years. Article IV.K of the By-laws states "All books and records shall be kept in accordance with generally accepted accounting principles in a manner verifiable upon an audit and shall be reviewed at least once a year by an outside independent public accountant employed by the BoD, who shall not be a resident of the Condominium Unit or a Unit Owner....". At a recent (April 2018) meeting, the Board acknowledged to the unit owners that there has not been a signed audit of the condominium books since 2006.
- **Common Area Furniture** – The furniture in all common areas except for the Club Room has reached its useful life. Several pieces have stains that cannot be removed, frayed arms and springs that no longer support the intended weight and pool furniture that is in very poor condition. Article IV. C and D states the BoD will provide for the operations, care, upkeep, maintenance and surveillance of the Common Elements and for the service to the Condominium D. Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacements of the Common Elements...."
- **Hallway Carpet/Painting** – The carpet was recently replaced in the Clara Barton after many complaints; however, there was no input or consultation from owners or a professional interior designer prior to spending approximately \$85,000 to do the job. The BoD determined the carpet pattern and color without taking a holistic approach to design with respect to the wall paint color or current furniture. It was also initially decided by the BoD to paint the hallway walls in the same exact color scheme originally used when the Clara Barton first opened. They additionally ignored the many hours of interior design work done by the Amenities Committee whose purpose it was to provide the community input into the process. Because of the uproar from unit owners living onsite the \$100,000+ painting project was halted indefinitely. The walls currently remain in a

state of transition where white spots dot the walls where painters prepared the walls before actually painting. This decision demonstrates a lack of planning, coordination and waste since the painter had to be paid for the work performed before the stop order was instituted. To many, these decisions do not represent a proper respect for unit owners' investments or their HOA fees. Arbitrary decisions made under perceived duress to get this project done without doing adequate homework should not be acceptable to unit owner stakeholders.

- **Rooftop Bathrooms** –The 12th floor residents directly under the rooftop restrooms have experienced constant flooding in their unit for several years from the rooftop bathrooms and the BoD has been severely delayed in a response to find a proper fix. This demonstrates a continued neglect of responsibilities described in Section 4.1.G of the Bylaws (Contract for the repair, additions, and improvements to, or alterations of, the Condominium and for the restoration of the Condominium, in accordance with the other provisions of these Bylaws). The owner has had to threaten to sue the Clara Barton for damages.
- **2018 HOA Fees** – The BoD voted to increase the 2018 HOA fees by 4% however there was a surplus of over \$52K for 2017 as well as ample sources for budget support in other areas of the Balance Sheet. Article 6.1.C states “Income derived by assessment pursuant to these Bylaws in excess of Common Expenses (including reserves) as at the end of a fiscal year shall be applied to reserves or Common Expenses for the next succeeding fiscal year, as may be determined by the Board of Directors”, these remaining funds from FY2017 were not applied to the common expenses nor were they used to offset the reserve account. In accordance with the DC Condominium Act, only funds necessary for the business of the Association may be charged to owners and any excess funds must be returned. The BoD has not acted on either of these options.

In summary, over the past many years, projects have been discussed, budgeted for and not followed through with action. The response by the BoD has been to ignore the problems for way too long. The building has had a string of management teams over the past few years. We believe we have a good management team at present and look forward to working together with them but they are being micro-managed by the existing BoD. In short, there is no long-term thinking, a notable lack of initiative in getting things done and minimal investing in the future of the building.

The list of issues goes on, but we hope the point has been made. We are at a juncture where BoD decisions must be made to preserve our investments. Our building and our financial investment in our units are suffering.

We as a group feel we are faced with an uncomfortable but necessary action. We are requesting your support and vote to recall the following Directors at the July 25, 2018 Annual Meeting of the Clara Barton Board of Directors: (per the bylaws, the members under consideration of recall will receive the minimum required 10 day notice of this action):

- Savina Kaur Singh, President
- John Robbins, Vice-President
- Nannette Paris, Treasurer

As many of you may know, your vote is based on a formula derived from the square footage of your unit relative to the rest of the units and it's not a "one unit, one vote" situation. Having said that, every vote does count, and we need each and every one of you to act if you care about your real estate investment. Your vote counts more than you know!

Attached please find a copy of a proxy for those of you who want to exercise your vote either in agreement with the above or in support of the existing Board of Directors. If you do not have someone you would like to act as your proxy, we have suggested a list of people below who would professionally do so.

Please email johnbrannandc@gmail.com if you have any further questions.

Thank you in advance for your interest in your investment and for listening to our comments. We look forward to seeing you at the Annual Meeting or acting on your behalf with your proxy – either way you decide.

You will receive a packet from the Clara Barton management in the near term that will include a list of all candidates and their CV for the Board of Directors and a proxy for you if you cannot attend the meeting in person.

Regards,

John Brannan	#414	
Lita Brannan	#414	
Kaleb Froehlich		#1155
Annie Froehlich	#1155	
Bonnie May	#1152	
James May	#1152	
Sean Doran	#609	
Leandro Pampin	#421	
Bridget Rigato	#421	
David Bender	#1154	
Danielle Cherrick	#1154	
Diana Vartan	#709	
Kim Smith	#1223	
Melinda Maxfield	#	