

Dear Park Mediterrania Owners Association members:

2/21/2012

On my webpage at <http://www.r-a-l-p-h.com/park-mediterrania/election.htm> I will be putting up a lot of information about Chet Bruce and his associates, way to many pages to mail out in this letter. There will be links to many supporting documents including the minutes to the first of several secret Executive Planning Meetings back in 2004.

<http://www.r-a-l-p-h.com/park-mediterrania/20040909MinutesofExecutivePlanningMeeting.htm>

For example on the evening of 9/9/2004, after the Special Meeting for the purpose of recalling the entire current Board of Directors (Alex Taylor and associates) while we newly elected Board of Directors were leaving the Gonzales Community Center in Colton one of us said to the others let's all meet over at the Bluff's restaurant. A woman from the Euclid Management Company overheard and objected saying we couldn't do that because it would violate the State of California Open Meeting Act. Four of the six new Board of Directors still live here: Chet Bruce, Kathy Barnes, Tana Baldwin and I, Ralph Cosetta. I was unaware plans were made to meet-up after the recall. My objection to going to the Bluff's restaurant for a meeting was over ruled. Going to the Bluff's restaurant also violated our Bylaws that state: "Regular meetings of the board shall be held monthly at such place within the properties ..." Three or four of these secret Executive Planning Meetings were held in private before the first Board of Directors meeting in public was held on 10/21/2004. My impression at these secret Executive Planning Meetings and public Board of Directors meetings was that decisions were already made in advance of the meetings without my input. As I give up in disgust during the second Board of Directors meeting I don't know how often the secret meetings continued to be held.

Chet Bruce and Kathy Barnes within minutes of being elected as officers and Board of Directors members ignored a law of the State of California and a Bylaw of the Park Mediterrania Owners Association.

Chet Bruce, Kathy Barnes and also Lizabeth Dootoff while previously on the Board of Directors had ignored the laws of the State of California and the governing documents (Articles of Incorporation, Bylaws, CC&Rs and Rules and Regulations) of our Park Mediterrania Owners Association.

Chet Bruce wants Kathy Barnes and Lizabeth Dootoff again back on the Board of Directors. (The election of the directors is on 2/27/2013). Please vote if you haven't already done so.

Chet Bruce wants a Special Meeting for the purpose of recalling the current Board of Directors who unlike him, Kathy Barnes and Lizabeth Dootoff have not broken the laws of the State of California and violated the governing documents of our Park Mediterrania Owners Association. (The Special Meeting for the recall is on 4/24/2013)

Chet Bruce and his associates beginning in 8/7/2012 and continuing to this week have been distributing smear campaign flyers and letters (more than 10). It wasn't until 1/25/2013 that they got around to delivering a petition signed by only 5% of the (association dues paying) homeowners for the recall meeting. But the way Chet Bruce worded it in one of his many flyers at first read it appeared a majority signed it: "The petition signed by 50% more homeowners than is legally required has been given to the Management Company." As 5% is all that is legally required and he claims he got 50% more signatures than is legally required that would still only be 7 1/2 %. As there are 142 condominiums here 7 1/2 percent would only be 10.65 signatures. I'm assuming Lordon Management counted as invalid those signatures of homeowners behind in paying their association dues. A flyer that arrived with the election of the Directors secret ballot states: "Finally, all homeowners should be reminded that voting rights

may be suspended at the annual election.” Oh, the flyer from Alex Taylor about the increase in the dues by \$15 per month informs us that as of 8/31/12 one member of the Board of Directors was delinquent in paying association dues. I have not read anything equivalent to that applying to members of the Board of Directors in their meetings.

Chet Bruce and his associates beginning in 8/7/2012 have been distributing flyers, but it wasn't until 1/25/2013 that they got around to delivering a petition to the management company. The same flyer stating 50% more also states: “They must hold the Recall Meeting within 30 days.” Actually it has to be within 90 days.

As the election of the directors is on 2/27/2013 and the Special Meeting for the recall is afterward on 4/24/2013 we have the peculiar situation where Chet Bruce wants Kathy Barnes and Lizabeth Dootoff to be elected to the Board of Directors and since Chet Bruce also wants the current Board of Directors recalled if he is successful they will be removed after only two months on the Board. It is more likely due to his smear campaign flyers one or both will be elected to the Board, but then we will be stuck with them due to only 5% of the members at this time are in favor of a recall meeting.

Remember the way Chet Bruce worded it in one of his many flyers at first read it appeared a majority signed it: “The petition signed by 50% more homeowners than is legally required has been given to the Management Company.” That reminds me of his business address. Doing an Internet search shows many businesses at the same address as his, 1040 S Mount Vernon Ave., Colton, CA 92324. His full business address states it is Suite G-136. As there are many businesses at the same address to get all of those suites into the same building it must be really big. Or all of those suites could be within just one Suite, Suite G at the Colton UPS Store. UPS Store says you can rent a mailbox with a real street address. Why do you think the USPS will not allow anyone renting a post office box to call it a suite?

How well informed did Chet Bruce, Kathy Barnes and Lizabeth Dootoff keep the Park Mediterrania Owners Association members during their time on the Board of Directors?

The current Board of Directors attached to the minutes of the special meeting to select a new management company that was held on 8/9/2012 four paragraphs including the following one showing how Chet Bruce and his associates Kept Us in the Dark.

“5. The former Board, with the cooperation of WSR, kept it a secret from the homeowners from June of 2010 until the end of March of 2012 that it bought these 2 townhouses with reserve funds. For such dishonesty, both the former Board and WSR should be repudiated, including Chester Bruce. At the Board meeting of May, 2010, there was NO quorum --- so that legally there was no board authorization for these purchases. Later minutes of the May 2010 [meeting] were doctored to make it appear otherwise. Copies were given at last night's meeting.”

The current Board of Directors has kept the Park Mediterrania Owners Association members well informed by distributing the formal termination letter for WSR Sales and Management, posting Board of Directors meeting agendas on the mail box stands, notices of Board meeting minutes and a letter dated 11/29/2012 attached to our financial statements written by our new Board of Directors (Lawrence Schoelch, President of the Board of Directors). Some quotes from that letter: “Misinformation, scare tactics and libelous statements are not only inappropriate but can put our association in jeopardy.” “We invite owners to review the actual financial statement as the facts in the ‘smear campaign’: a letter sent to members was not complete or factual.” “Each of the five ‘reasons’ that were listed are in fact all inaccurate...” “The question was raised through our reserve consultant if we need to book a loan on the association books to record the

use of reserve cash for the purchase of these units and this is now being investigated with a CPA.” “The budget that we have been operating on has no funds specifically designated to be added to our reserve fund. How are we to make future repairs if we do not have adequate funds allocated to pay for our roofs, asphalt, etc. for the future? Was the plan just to levy huge special assessments on the owners?” [That is a good question for Chet Bruce and his associates. With Chet Bruce as President each homeowner had a special assessment of \$100 per month for 36 months. At 142 units the total assessed was \$511,200. Then without the homeowners’ permission or knowledge Chet Bruce, Kathy Barnes, Lizabeth Dootoff and WSR used about \$170,000 of our money to purchase two units to rent out]. “We have found after the transition of management that the Association actually foreclosed on and owns two more homes that we took title to in January 2011 and November 2011 respectively and have not received association fees on since that time. Why did the prior management and Board allow this to happen?” [That is another good question for Chet Bruce and his associates]. “It is extremely disappointing to see that individuals within the association whom have served on the Board would make libelous comments about a professional management firm that has just started working with our community.” “In addition, to make erroneous statements that attack the Board is in poor taste and self-servicing and at this time not worthy to respond to in this letter.” “Ask yourself why would people make these false accusations?” [Why ask myself, why not ask Chet Bruce and his associates?].

Chet Bruce, Kathy Barnes and Lizabeth Dootoff, members of the Board of Directors, using our association reserve funds, without our membership approval, without our membership knowledge, without our association governing documents authorization and in violation of both our governing documents and California law with the purchases of two Units depleted our reserves. There are two different versions of that month’s meeting minutes and one of the doubts since raised was there a lack of a quorum for a meeting?

The 2/7/2013 Board of Directors agenda lists our total reserves down to only about \$160,000 and those two units as fixed assets totaling about \$170,000. (\$160,000 total reserves) plus (\$170,000 fixed assets) equals a grand total of \$330,000. What? Five years ago a special assessment of \$100 per unit for 36 months times 142 units totaling \$511,200, but today our grand total is a lot less?

Why did we overpay for those two Units? I do remember the housing market was in a downward spiral and had not yet hit bottom. On 6/11/2011 I went to WSR’S website and did screen captures showing 1097 Santo Antonio Dr Unit 41 selling for \$55,900 and 1077 Santo Antonio Dr Unit 16 renting for \$1,150. Say what? 1077 Unit 16 that we purchased for \$86,975 and are now renting out cost us about \$30,000 more than the sales listing for 1097 Unit 41?
<http://www.r-a-l-p-h.com/park-mediterrania/20110611wwwwsrnetsalesandrentallistings.htm>

I wonder how much more money was spent to fix them up so they could be rented out. Both of them still have their original wooden doors and the A/C units look old (units built about 34 years ago. There was a meeting agenda item about replacing a garage door to bring it up to standard (one of the wooden doors looks tacky). The 2/7/2013 agenda mentions one of the units needing wood flooring repairs. The same agenda mentions a 30-day notice. What, for non-payment of rent? I was told our previous so-called management company, WSR, kept 10 % of the rental income. I remember wondering if our non-profit tax status would be adversely affected by our buying real estate with the intention of producing rental income. If we were not a non-profit, those rental units would be a great tax-write-off.

Sorry, ran out of room for this mailing, please go to <http://www.r-a-l-p-h.com/park-mediterrania/election.htm> where I will be putting up a lot more information.