

My name is Michael Ghafouri, and I am one of the five Directors on your Board of Directors.

I'm writing you because I'm seriously concerned about some of the Decisions being made by my colleagues on the board, something I believe you should be made aware of. I have made every effort to help resolve many issues and have on several occasions informed the Board Majority of my intent to go directly to the membership for your input, should they continue to disregard our policies, state statutes, and/or our governing documents.

Board actions and/or decisions made hastily, without thought, are poor decisions, and as such can create long term serious consequences. They directly impact our association and create liabilities and potential cost to the association and our members.

1) DO YOU KNOW THE LCPOA HAS TOO MUCH MONEY?

During the June and July 2022 Open Session Meetings it was discussed that the LCPOA has over **\$3,400,000.00** Million-Dollars-Cash in the bank, although I pointed-out that the 2023 approved Annual Budget is **\$1,025.148.00** Million Dollars. This is "*three times*" the amount needed to conduct the Association business in the upcoming year without any cash shortfall, therefore there is no need for the Board to collect new assessments of \$1,000.000.00. We simply do not need more money. The LCPOA is a Non-Profit Corporation. As such, our corporation is subject to paying taxes on "excess" funds being held in our accounts. I believe we should not be collecting dues from our members for 2023. Again, we have sufficient funds to meet the association budgeted expenditures.

2) MY PROPOSAL IS TO WAIVE YOUR DUES FOR FY 2023

Given the above reasoning, I *asked* the Board to vacate the collection of dues on behalf of all LCPOA Members. I was out voted 4 to 1 repeatedly, hence your receipt of the recently mailed Assessment letter from Avalon Management, reminding you to make your payment, due by October 1, 2022.

My personal belief is that you should not be paying any Annual Dues for the **FY 2023**. I also believe that you can use your money to better serve your family in these economic down times, much better than any Board Member.

3) THE BOARD MAJORITY 2023 APPROVED BUDGET

It is important you take some time to review the Budget Report sent to you by Avalon Management, as I believe the document as written, does not accurately reflect how your dues are being allocated, applied, and for what purpose. The word "*Maintenance*" appears to be used as an open-ended term throughout the budget document masking the expenditures and what the funds are specifically being used for.

4) UNNECESSARY (2nd) RESERVE STUDY – HOW & WHY DID THIS HAPPEN?

Although the LCPOA conducted and paid for a required Reserve Study in **2021**, the Board Majority surprisingly deemed it necessary to conduct a new, second study in **2022**. Legally, studies are only required to be performed once, every three years. I believe the study was done to create a justification to keep the membership's money instead of returning it to you.

Dear Fellow La Cresta Property Owners,

September 19, 2022

In the original Reserve Analysis Report dated **June 4, 2021**, the projected reserve was at **133.81%** because of too much cash held in our accounts. In the second Reserve Analysis Report dated **July 19, 2022**, the projected reserve fund cash balance at the end of the current fiscal year was reduced from **133.81% to 68.45%** to *create a shortfall* of the Reserve account that would subsequently justifying collecting more dues from membership, again.

I believe the intended objective of the second reserve study is to get you to believe and accept that it will be essential to collect more money from you, to protect these illusionary “assets.” In reality, collecting additional money from you is not necessary.

Our Governing Documents specifically prohibits the LCPOA from OWNING any Assets. Yet, the Board Majority approved the commissioned *second* Reserve Study to now include **\$699,848.00** for “*fencing*.” Keep in mind, the 2022 “*fencing*” account was previously at **\$6,696**. (Please see the below charts)

On **Sunday, September 25, 2022**, the LCPOA will hold its Annual Member Meeting to discuss Members issues and to elect two new directors to the Board. These directors will serve for a two-year term and because of this, *it is crucial that you make an informed decision on who to vote for in this election.* Please make your voice heard and please vote!

La Cresta deserves Directors who are committed to serving in the best interest of the entire membership and not a few. This can only be accomplished through your voting power. You have the ultimate power!

Please feel free to contact me with any questions or suggestions you may have. I can be reached via my direct contact number of **951.704.9900** or you can e-mail me at lacrestamembers21@adexmed.com.

To help you, I need your involvement and your support!

Respectfully,

Michael Ghafouri

LCPOA, Director
951.704.9900

Copy to: LCPOA Membership
 File

La Cresta Property Owners Association

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Maintenance/Rehabilitation	\$1,812,850	\$1,276,443	0-4	5
020 Fencing	\$6,652	\$4,887	0-23	1-25
030 Grounds	\$146,750	\$81,163	0-21	8-25
040 Landscape	\$6,000	\$4,022	2-5	5-8
050 Painting	\$5,000	\$556	4	5
050 Streets & Drives	\$600,000	\$600,000	0-2	5-20
Contingency	n.a.	\$59,012	n.a.	n.a.
Total	\$2,577,252	\$2,026,083	0-23	1-25

La Cresta Property Owners Association

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Maintenance/Rehabilitation	\$2,113,191	\$1,350,407	0-4	5
020 Fencing	\$699,848	\$390,291	1-22	3-25
030 Grounds	\$274,250	\$121,147	3-20	8-25
040 Landscape	\$10,000	\$6,272	1-4	5-8
050 Painting	\$10,000	\$3,333	3	5
050 Streets & Drives	\$1,055,000	\$0	7-27	10-60
Contingency	n.a.	\$56,143	n.a.	n.a.
Total	\$4,162,289	\$1,927,593	0-27	3-60