

HOSING OF THE SHAREHOLDERS  
BY THE BOARD OF DIRECTORS (All self-appointed)  
ANNUAL MEETING JULY 28, 2012

IN RESPONSE TO THEIR NEWSLETTER JUST SO YOU KNOW THE FACTS

At the July 30, 1994 meeting, when a shareholder asked “what it would take to change the quorum amount so we could have an annual business meeting?” President Fawley informed him any shareholder, stating adequate reasons, could petition the court to lower the quorum. Director Friedman stated it takes a unanimous vote of the shareholders to change the quorum requirements in the By-Laws.

FACT: The purpose of the lawsuit representing the shareholders and brought by shareholders Jim Morrison and Cheryl Turpin is to lower the quorum requirements so the shareholders can vote for their representatives, conduct business and have the ability to approve actions requiring their approval. .

FACT: Since July 28, 1984, Cedarpines Park Mutual Water Company (CPPMWC) has not been able to successfully gather a majority quorum of shareholders that would allow the shareholders to have a say in how the company is run that’s 28 years of Good Ole Boys. The only time CPPMWC obtained a majority quorum of fifty percent plus one was in 1966 and it took ten years to achieve.

FACT: All of the current board members of CPPMWC were appointed by themselves, the shareholders did not vote them in.

FACT: The board of directors and CPPMWC personnel all believe and intentionally ensure there will not be a quorum of shareholders at the annual meeting so every year they can thumb their noses at the shareholders and do what they want to do. Many notices to shareholders are being returned in the mail because the addresses are wrong.

FACT: The law requires CPPMWC to list the nominated candidates on the paperwork sent to the shareholders with their proxies and they never do that as required by Corporation Code Section 7511.

FACT: This year when James Morrison filed his application, CPPMWC mailed out the proxies and notice without listing his name as a candidate. Then board members started bad-mouthing James Morrison to the community and scrambling to find someone else to run.

FACT: Since the assessment imposed in July of 2011, there has been no reporting of how the money collected from the assessment was spent. They did not spend it fixing Sawpit Canyon water tank as they said they would. They did purchase a new truck for \$490 a month for the new general manager and pay for the gas and repairs.

FACT: When the board took out the loan from the USDA in 1996, they pledged all of Cedarripines Park Mutual Water Company's assets to secure the loan. We have copies of all the paperwork for the loan/grant from USDA.

FACT: President Perry Dahlstrom was involved in the orchestrating of the \$1,670,500 loan from the USDA in 1994 through 1996.

FACT: President Perry Dahlstrom illegally placed a water pipeline across Dennis Bennett's property and cost the shareholders in legal fees and settlement costs. Now, Dahlstrom is refusing to verify who signed the settlement check, which could result in more legal fees.

FACT: Board member Steiner issued a will serve letter to Canyon Vista which had no water lines and which cost the shareholders thousands of dollars to provide. I believe the Canyon Vista issue was settled out of court, but the property owner was threatening legal action.

FACT: The copy of the ballot mailed out by CPPMWC with its newsletter signed by Cheryl Turpin was not a proper ballot, was two years before CPPMWC got the loan/grant and the alleged ballot had no details of the loan, what the amount was, the interest rate, the term or that all of the property of CPPMWC would be pledged for 40-years.

FACT: We are representing the shareholders in asking the court to change the quorum requirement so the shareholders can have a voice and elect its board members.

FACT: The board had sold CPPMWC property on Church Street to the office manager of Terry Mabile and a year later Terry Mabile transferred the land back to CPPMWC. Transfer of CPPMWC's land and property cannot be transferred without approval of its shareholders and USDA.

FACT: The fact that CPPWMC has allowed Sawpit Canyon Tank to be in disrepair is putting the shareholders at risk because the USDA loan requires CPPMWC to keep the secured property maintained and in good condition. The USDA could call our loan due and payable right now!

FACT: CPPWMC paid ECS more money than their contract and ECS did not successfully perform what they said they would do for the shareholders. Remember, you are paying for this mismanagement.

FACT: The shareholder registry is inaccurate and not up to date so when they mail notices of this annual meeting, they are not reaching the shareholders. This helps ensure that we won't have a quorum of shareholders and will be powerless.

FACT: CPPMWC shows that 2,316 shares were present and voting on November 15, 1994 to approve the loan/grant from the USDA. The loan was for \$1,670,500, it goes for 40-years, requires annual payments and reserves.

FACT: We have evidence that certain board members received checks from FEMA for the 2003 Old Fire and other disasters.

FACT: The CLAWA connection would have benefited land investors not the shareholders and went south when the economy soured. The assessment in July 2011, said the money would be used for the CLAWA connection, but now that is on hold.

FACT: There is evidence to show that money from the loan/grant went to pay for wells drilled by Robert Fawley to benefit himself financially and sell water back to the water company. This caused a lawsuit to be filed against CPPMWC by Cochran and shareholders money to pay for the legal fees and settlement.

FACT: When the board notified shareholders of the assessment in July of 2011, they assessed all shareholders with a meter instead of assessing per share as required in CPPMWC's bylaws.

FACT: There have been no financials from CPPMWC for the last six months.

FACT: CPPWMC has never sent out a newsletter before this regarding other lawsuits that affected the shareholders such as the Bennett case or the Canyon Vista issue or the Robert Fawley case. CPPWMC claims its attorneys advised them to send out a newsletter about the Morrison/Turpin case with Cheryl Turpin's personal information included.

FACT: Bankruptcy let's talk foreclosure, CPPMWC obtained the loan from the USDA fraudulently. CPPMWC did not have a meeting on November 15, 1994, where shareholders holding 2,316 shares were present and voting as they claimed to the USDA to get the \$1,670,500 loan.

FACT: Some of the loan/grant money was used to pay Best, Best & Krieger for matters not relating to the loan/grant.

FACT: Five certified letters were mailed to the attorneys requesting to meet and resolve the lawsuit and received no answer until just a few days ago. Instead we have heard that they plan to keep this going to run us our of money according to Steiner.

FACT: Board member Ron Albright told the shareholders, "Be ready for another assessment."

FACT: Albright doesn't have sufficient shares to be a member in good standing and to be a board member.

FACT: The board members were told in 2004 how to amend the bylaws so we could change the quorum requirement. Now they claim the board can't legally do this. That is

a false statement. Because of the quorum requirement no board members have ever been voted in.

FACT: In their newsletter CPPWMC threatened the shareholders who signed a declaration saying that they didn't know about the loan because if they signed a declaration under the penalty of perjury you could get in trouble for that. How dare CPPMWC threaten its shareholders with perjury?

James Morrison  
Shareholder in good standing

Cheryl Turpin  
Shareholder in good standing

Two board members died at the same time and met St. Peter at the Pearly Gates-

“Our computers are down” said St. Peter, “You’ll have to go back for a week, but you can’t go back as board members, what will it be?”

First board member said, “I’ve always wanted to be an eagle soaring about DPP. So be it” said St. Peter and off flew the first board member.

The second board member thought for a moment and asked, “Will any of this week count?” “No,” said St. Peter. “Well,” the board members said, “I’ve always want to be a stud.” “So, bet it,” said St. Peter.

A week later, the computer was fixed and the lord told St. Peter to recall the two board members.

“Will you have any trouble locating them?” the lord asked. “The first one should be easy,” said St. Peter. “He’s somewhere over CPP flying with eagles,” but the second one could prove more difficult.”

“Why?” asked the Lord.

“He’s on a snow tire somewhere in Big Bear,” said St. Peter.