

Subject: Re: Please Respond - Revised Cogeneration Agreement

From: "Robert E. Frank" <BobFrank@Cox.Net>

Date: Wed, 01 Oct 2008 23:38:44 -0700

To: Roz Berman <rozberman@cox.net>, "Cheri, Shirley" <sbcheri@aol.com>, "Cooper, Roger" <rcooper2@cox.net>, "DaSilva, Terry" <Terry.DaSilva@scacai.com>, "Dixon, Mike" <mikedixon70@earthlink.net>, "Friedman, Barry" <barrandmare@yahoo.com>, "Weinstein, Carl" <hr1955@aol.com>

CC: "Carrero, Caren" <Caren.Carrero@scacai.com>

BCC: bobfrank@cox.net

For Sun City Anthem CAI Directors and the Community Manager:

I must totally oppose this agreement and refuse to allow Pulte to force SCA CAI to accept any agreement prior to starting construction on Rec. Ctr. 3 because (but not limited to the following):

1. I believe this agreement could be judged to be an extortion that is offering an illegal bribe from Pulte to SC CAI to accomplish an illegal agreement. If that is correct, accepting such a bribe is a felony offense for the involved directors. And, even if this agreement was not found to be a bribe or an act of extortion, just accepting such an agreement would fail to reasonably honor our fiduciary duties to the members of this community. We simply can not agree to this proposal.
2. Pulte has no legal right to force SCA CAI to agree to release it in any way from its Co-Gen obligations as a precondition to start construction on Recreation Center 3. Pulte can request the agreement, but it can not refuse to construct Rec Ctr 3 unless the board agrees to its terms.
3. If a director allows him/her self to be coerced into signing as a condition for Pulte to start construction on a facility that is directed in the Master Plan and already 2 years behind schedule, that director's decision could be eventually judged a gross failure of that director's fiduciary duty. That could be a clear violation of a number of laws, and it could be judged to be exercising extremely poor business judgment by those who agree to accepting Pulte's bribe. Those directors would lose their protection under the D&O insurance and they would be personally liable for their willful misconduct.
4. I also consider the entire history of the Co-Generation Plant Agreement to be a long series of frauds perpetrated by certain board members (past and present) against the members of this SCA community. Since May 2005, nothing about the Co-Generation Agreement for \$1.375 Million has been properly executed by the responsible board members.
5. Even the so-called binding decision made by Faviel West and Bob Berman and other members of the 2006 Board to grant Pulte free use of the \$1,375 Million Co-Gen monies for "greening" Rec. Center 3 can be shown to be a fraudulent action. Therefore, it would also be a fraud to accept this latest agreement.
6. Since I had absolutely nothing to do with the previous fraud and abuse actions relating to this settlement agreement, it is impossible for me to participate in this final stage.
7. Finally, I have no choice but to notify the proper law enforcement authorities of my deep and abiding objections to (1) this fraudulent handling of the entire Co-Gen project, and (2) of this

