

State of California

MEMORANDUM

To : Board Members and
Interested Parties

Date: October 5,2001



Jojo Ojima

From : CALIFORNIA HOUSING FINANCE AGENCY

Subject: **HANDOUTS** : OCTOBER 10,2001 TELECONFERENCE BOARD MEETING

Enclosed are handouts to be placed behind the "HANDOUT" section of your Board material.
Please contact me at (916) 322-3958 should you have any questions.

Enclosures



CALIFORNIA HOUSING FINANCE AGENCY

TERESA A. PARKER
Executive Director

CLARK WALLACE
Chairman

October 4, 2001

Vincent R. Joseph
3725 Florida Street
West Covina, CA 91792

Dear Mr. Joseph

I am responding to the document dated July 20, 2001, that you sent to me in connection with your property in West Covina. That document explains in some detail your disagreements with CHFA's review of the condition of your property.

As you know, on June 14, 2001, Theresa Parker, the Executive Director of CHFA, wrote to you explaining that CHFA could not forgive your loan even if it agreed with your assessment of the state of the property. On July 22, 2001, you wrote a letter to Governor Davis regarding the problem. The Governor's office requested that the Director of the Department of Housing and Community Development answer your letter. The August 23, 2001 letter from HCD reached essentially the same conclusion as was contained in Ms. Parker's letter of June 14, 2001.

Your letter of July 20th disputes the investigation and findings made by the Agency. Unfortunately, we do not agree with the conclusions in your letter. As we have pointed out, even if our review of the matter supported your claims, the Agency could not forgive your loan. We trust that this will conclude this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Clark Wallace', written over a white background.

Clark Wallace
Chairman of the Board
California Housing Finance Agency

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Office of the Director
1809 Third Street, Suite 450
Box 952051
Sacramento, CA 94252-2051
www.hcd.ca.gov
(916) 445-4775



August 23, 2001

bcc TAP
RAL
GFS
BDG
8-27-01J

Mr. Vincent R. Joseph
3725 Florida Street
West Covina, California 91792

Clark - fyc
9-4-01JB

Dear Mr. Joseph:

Governor **Davis** has asked the **Department** of **Housing and Community** Development to reply to your letter requesting him to intervene in your dispute with the City of **West Covina**, your **insurance company**, your homeowners' association and the California **Housing Finance Agency (CHFA)**, your mortgage **lender**, regarding responsibility for **cracks** that have appeared in your home.

From your letter I gather that you believe the cracks are due to dangerous soil movement in a city-owned slope adjacent to your home, and that you have requested **CHFA** to forgive your mortgage loan because of the lack of a safe environment, gross safety hazards, and the loss of use of your home.

The attachments enclosed with your letter, however, indicate that a **CHFA** inspector at the site considered the cracks to be due to normal settling, and that the City has acknowledged only "superficial" slope movement. Your insurer apparently has claimed that your policy does not cover the damage, and the homeowners' association has not shared with you a cash settlement it received as a result of a lawsuit regarding the slope movement. Apparently the amount of the settlement covered little more than the association's legal costs.

My staff contacted **CHFA** to inquire into your case. The agency generally confirmed the facts as outlined above, and noted that it has no statutory authority to forgive a mortgage loan in this situation. Nor is it normal practice for any mortgage lender to forgive loans because of subsequent damage to a home or dissatisfaction on the part of the borrower. **CHFA** is bound by law to consider your loan to be in default and to act accordingly, if you cease making monthly payments, as you have said you will do.

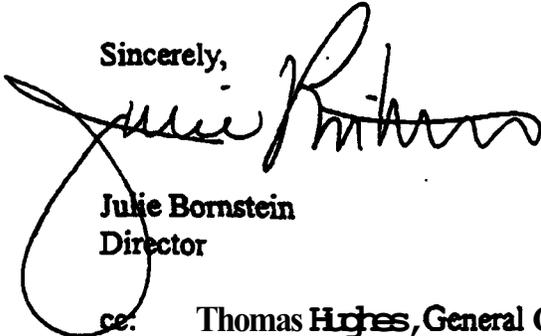
Mr. Vincent R. Joseph

Page 2

~~Neither~~ Governor Davis nor any State agency has the authority to intervene in a case like yours unless a State law that provides for direct State enforcement has been violated. Our review of your case does not seem to show such a violation. Your relationships with your insurer, the homeowners' association and the city appear to be contractual or civil matters, for which civil litigation is the final recourse in the event of disputes.

Thank you for sharing your concerns with Governor Davis. I am sorry we do not have the answer you seek.

Sincerely,



Julie Bornstein
Director

cc: Thomas Hughes, General Counsel
California Housing Finance Agency

Vincent R. Joseph
3725 Florida St.
West Covina, CA 91792
626-810-3322

July 22, 2001

Governor Gray Davis
Governor of the State of California
State Capitol Building
Sacramento, CA 93721

| | | |
|--|------------------------|----------------|
| Post-It™ brand fax transmittal memo 7671 | | # of pages ▶ 2 |
| To Tom Hughes | From Bill Murphy | |
| Co. | Co. HCD | |
| Dept. CHFA | Phone # (916) 327-1456 | |
| Fax # (916) 322-3151 | Fax # | |

Dear Governor Davis,

My name is Vincent R. Joseph and I am a U.S. Citizen and a homeowner residing in West Covina, CA. I am an upstanding citizen and I am an asset to my community. I am a 40 year old professional with a degree in Accounting and attend church regularly. My commitment to my obligations has been such that I have **NEVER** been past due on any bill or financial obligation. I would like to inform you of a problem that I am having, dealing with the City of West Covina, State Farm Insurance, Shadow Oak Villa III, Home Owners Association, Inc. as well as the California Housing Finance Agency (CHFA) with regards to my permanent residence which is 3725 Florida St. West Covina, CA 91792.

1. The City of West Covina owns a **slope** adjacent to my personal residence. The slope is moving and my residence is shifting as a result of the slope movement and I am getting very little help in resolving this problem. It is a safety hazard and my wife and I are beginning to question our safety,

The City of West Covina even admits in writing that their slope is failing based upon Project #PP-96258, "slope repair at 1830 & 1832 Arizona St. (Shadow Oak Villa III)." This was part of the agenda (item #8) for the City of West Covina's council meeting for Tuesday, April 21, 1998 at 7:30pm in the council chambers. The agenda states "two superficial slope failures have recently occurred with the first located South of Arizona St. on a maintenance district no. #4 slope and the second near the city's reservoir no. #2...". The "agenda authorized the city's engineers to call for bids."

2. State Farm Insurance claims that the policy doesn't cover the type of damage that is listed that is occurring within my personal residence and I feel its an interpretation issue and that the damage and cause of damage should be covered and repaired.
3. The homeowners association which is Shadow Oak Villa III, Inc. has received monies from a lawsuit regarding the slope movement and have turned their backs on me regarding repairs after referencing my residence damage within the lawsuit.
4. The California Housing Finance Agency (CHFA) has provisions to help people in various states of need but claim that there is no help available for me based upon my situation. I have been communicating with the Chairman of the Board (Mr. Clark Wallace) and feel that I deserve more information. Even though CHFA's general council (Mr. Thomas Hughes) states that he is here to assist me, I left a message on his voice mail on Thursday, July 19, 2001 to no avail.

CHFA commissioned an inspector to review and document the damage on the interior and exterior of my property. His (Mr. Clint Ingle-Inspector) report was very misleading (please refer to my letter to CHFA dated Friday July 20, 2001 to Mr. Clark Wallace-Chairman) and it is my opinion that Mr. Clint Ingle does not have the professional training or qualifications to render an opinion based upon the degree of problems in regards to my residence. CHFA needs to retain someone with experience with geological movements as well as structural engineering background and CHFA's Mr. Clint Ingle has neither.

Vincent R. Joseph
3725 Florida St.
West Covina, CA 91792
626-810-3322

Also attached are letters to CHFA regarding my housing problem as well as a copy of their response and report based upon their investigation of my property. I would like you to review my claims and would be open to discuss all issues listed above.

Sincerely,



Vincent R. Joseph
Enclosure

Vincent R. Joseph
3725 Florida St.
West Covina, CA 91792

RECEIVED
JUL 27 2001
CHFA

CERTIFIED MAIL # 7000-0520-0023-3565-4826

CHFA #685-V-0092

Loan #01-113-33

Mr. Clark Wallace

CHFA Chairman

1121 L Street, Seventh Floor

Sacramento, CA 95814-3974

Mr. Wallace, I would like to thank you for speaking with me on Monday July 16, 2001 at 10:01am. As mentioned in our conversation, I have drafted a letter discussing the letter/report sent to me by two (2) of your down-line, which was dated June 14, 2001. As mentioned in our conversation, I feel that the competency level of your investigator (Mr. Clint Ingle) is suspect and questionable and have set out to prove the facts, not my opinion. The letter and report in question is attached and sections of the letter and report will be referenced by indicators which point to areas that I disagree with based not on opinion but on facts. The letter and report referenced was completed by Theresa A. Parker (Executive Director for

Exhibit #A - Letter by Theresa A. Parker dated 6/14/01

CHFA - Clark Wallace_Final2.doc
07/23/2001 7:47 AM

1 of 11

1 CHFA) and Clint Ingle (CHFA Inspector), respectively. The letter from Ms. Parker referencing the report
 2 by Mr. Ingle was dated June 14, 2001. Even though CHFA claims "...CHFA would not be in a position to
 3 forgive the loan", I still want to correct the gross errors in the report by Investigator Clint Ingle as well as
 4 questionable and unsubstantiated comments from Ms. Theresa Parker. Her letter is ONLY based upon
 5 the inaccurate inspection/report of Mr. Ingle and not by physical verification. Also. I can and will prove
 6 that Mr. Ingle's report is false, misleading and incomplete.

7
 8 The reason for my response to the letter, report and questions from CHFA regarding my property
 9 problems and non-payment of my mortgage is to clarify why I have decided to stop making payments on
 10 my -CHFA No. (#685-V-0092) and CHFA loan no. #01-113-33. The reasons why the last payment I
 11 made was for May 2001 and why I will not make another payment on my loan are listed below:

- 13 1. Lack of a Safe Environment
- 14 2. Gross Safety Hazard
- 15 3. Lack of use

16
 17 Over the past few months I have spoken to Mr Bob Bastein (Housing Financial Specialist), Ms. Stephanie
 18 Stafford (Loss Mitigation & Default Manager), Mr. Gerald Smart (Loan Production and Special Programs
 19 Manager), Ms. Theresa Parker (Executive Director), Ms. Jojo Ujima (Office of the General Counsel), Mr.
 20 Ray Duran, Jr. (Century 21 Dynamic Brokers-REO Dept.), Mr. Clint S. Ingle (Portfolio Manager), Mr.
 21 Bruce D. Gilbertson (Comptroller), and Mr. Clark Wallace (CHFA Board Chairman) and CHFA Board
 22 Members and constituents. I have received various amounts of advice by some of the individuals listed
 23 above and will later reference this paragraph based upon some of the CHFA/FHA rules/procedures that
 24 were quoted to me which directly affects why CHFA will not help me in any manner regarding my housing
 25 problems.

1 The following items - issues are in reference to statements made in the letter and report from Theresa A.
2 Parker and Clint Ingle respectively so please refer to the indicated document that is specified and
3 reference the specific paragraph and / or sentence in question:
4

5 **Per Exhibit #A, page 1 of 2, paragraph #B** - It is mentioned that "The Agency sent a staff member to
6 the site to inspect the damage and to interview relevant parties". I was told by Mr. Clint Ingle prior to the
7 inspection that he was to inspect my property and surrounding properties and to report back to CHFA,
8 specifically Mr. Clark Wallace - Chairman. When he came to my residence, he did inspect my unit, inside
9 and out (and I will discuss his inspection results later in this letter) as well as the outside of others based
10 upon my research. What he did that I question is to advise me to keep making payments as well as how
11 to fix the various horizontal and vertical cracks in the various walls. Why is he advising me on correcting
12 some of the structural problems when he is not a licensed contractor? He was told, and told me on the
13 phone prior to the inspection, that all he would do is inspect various properties within the complex. His
14 report contradicts the quoted sentence, "...evaluate damage and recommend correct repairs - see
15 **Exhibit #B, page 3 of 5, paragraph #A**. What he was trying to do is to convince me that the damage
16 was immaterial and that there is no "life threatening situation" and that the repairs can easily be made.
17 He was supposed to only inspect my unit NOT give advice.
18

19 Regarding the second part of paragraph #B, "...interview relevant parties", he decided to report
20 to the Agency only those parties that substantiated HIS advice and claims. There is an identical unit to
21 mine exactly West of my unit (3729 Arizona St.), separated by a common wall which runs North and
22 South which has/had damage. The resident is always home because he works out of his home. This
23 property would probably be the most perfect interview, based upon both of our proximity to the City of
24 West Covina owned slope, as to what problems might be present in an identical property. Mr. Ingle chose
25 not to investigate / interview this property and the reason is unclear at this time.

1
2 **Exhibit #A, page 1 of 2, paragraph #C** - It states in part ".The report concludes that abnormal earth
3 movement is not the cause of the cracks at the site. The cracks appear to be normal and repairable.
4 Based upon this review, the information you reported to the CHFA Board of Directors does not appear to
5 be supported by the facts." I guess we need to define the word "facts". How can you as a professional
6 agency make a judgement on items so material without the proper training and authority? I would have
7 thought that CHFA had experts, trained in dealing with structural problems and with some type of
8 structural certificate and license. Mr. Ingle has known, I know because I asked. All he gave me was his
9 CHFA business card. If he is not trained in structural engineering then the "facts" as you call it should be
10 re-phrased as his opinion ONLY and would invalidate the claim that the cracks are "normal" until a
11 qualified trained professional has interviewed and inspected the listed property. Mr. Clint Ingle's official
12 title is "Portfolio Manager", and based upon his title, he most likely is not trained to give advise on
13 structural defects. He has been trained to keep his portfolio current and to maintain a very low
14 delinquency rate.

15
16 **Exhibit #A, page 1 of 2, paragraph #D** - The first sentence states "Based upon our review of this
17 matter, we must conclude that there are no grounds for Agency to forgive the outstanding loan, or
18 otherwise modify its terms." Even though I don't qualify for any type of assistance from CHFA based upon
19 "your research" I understand that there are provisions available to those that meet certain criteria. I need
20 to know what that criteria is. No one within the Agency has yet to divulge or list the various criteria to me,
21 verbally or in writing, even though I don't qualify. I feel that this information is important and should be
22 privy to this information.

1 **Exhibit #A, page 1 of 2, paragraph #D** - The second sentence states "You should also note that even if
2 the investigation had shown evidence of abnormal earth movement, CHFA would not be in a position to
3 forgive the loan." Based upon conversations with various individuals within the Agency (CHFA), I have
4 learned, and was told that if CHFA forgave any part of my loan then FHA would not guarantee any part of
5 the loan and that CHFA would be at a financial loss. If this is the case which I feel it is, why go through
6 weeks of interviews and investigations and waste my time. You (CHFA) knew your position was concrete
7 when I first approached the board. Why not tell me this information initially? Is it politics? Also, there is
8 no mention of the investigation by Mr. Ray Duran, Jr. (R.E.O. Dept.) who works for Dynamic Brokers in
9 Montebello, CA). You (CHFA) called one of your CHFA / Broker agents (Mr. Ray Duran, Jr.) to do a
10 "emergency inspection" of my property and none of that data or information is listed any where in this
11 letter or report. Why leave this information out. I took a lot of time out of my day to be home to assist Mr.
12 Ray Duran, Jr. I was told by your Agency that I would get a copy of the investigation report. Where is it?
13 Is this politics also? Furthermore, I do understand my responsibility as a homeowner but when my life is
14 in danger and my family's lives are in danger, am I supposed to wait until an accident happens for you to
15 believe me? If I did and you knew of the danger ahead of time, then your agency will then be "negligent",
16 knowing that you could have done something ahead of time to prevent an accident.
17

18 **Exhibit #A, page 2 of 2, paragraph #B** - This paragraph states "If you have any questions regarding the
19 staff investigation or the Agency's position, please feel free to contact Mr. Gerald Smart, Home Ownership
20 Programs Chief at 916-324-4649, or Mr. Thomas Hughes, General Counsel for the Agency at 916-323-
21 3424." As per my conversation to Mr. Clark Wallace-CHFA Chairman on 7/16/01. I choose to deal with
22 one (1) person only which is the person I presented my case to in person which is Mr. Clark Wallace. I
23 don't trust any other official or representative of the agency and will not deal with anyone except Mr. Clark
24 Wallace. He said ok and understands my views even though he feels his "down-line" is competent. I feel

1 ust the opposite, some of the individuals I have dealt with are now proving otherwise. I originally thought
2 :hat the complete agency was astute, competent and prudent, again I have been proved wrong.

3
4 **Exhibit #B, page 1 of 5, paragraph #A** - This paragraph states in part "...Borrower requests that CHFA
5 or FHA (HUD) forgive a portion of his indebtedness by reason that the property is being degraded and ha!
6 been de-valued by hillside slope creepage (ground movement) visible by cracks in his walls, door casings
7 to be out-of-plumb and cabinets pulling away from the walls." What Mr. Clint Ingle wrote above in his
8 sport was not exactly what I said originally, what I originally said, in writing, in person and verbally over
9 the phone is listed below:

10
11 *" With the respect to all, I will stop making "good faith" mortgage*
12 *payments beginning June 1, 2001 if I don't have an equitable plan or solution*
13 *devised by either CHFA, FHA or the California Bond Investors for assistance*
14 *regarding my property by May 30, 2001. I will put each and every "good faith*
15 *mortgage payment from that moment in a holding account until a permanent*
16 *decision is made and agreed upon by me regarding the future of said payments.*

17
18 *If you have any questions or comments regarding the situation I/We are*
19 *in, please feel free to write and/or call (626-810-3322)."*

20
21 This quote was taken from page 7 of 7 of the letter to Mr. Bob Bastein & Stephanie Stafford dated May 13,
22 2001. I also gave a copy to the CHFA board members during the Thursday May 17, 2001 board meeting
23 in Burbank, CA and personally handed the document to Mr. Clark Wallace. The cover letter was the only
24 addition to the CHFA documents given by me to Mr. Clark Wallace and the CHFA Board of Directors.

25 Additionally, the main reason why I have stopped making mortgage payments which I forgot to list earlier

3

but mentioned to Mr. Clark Wallace (on 7/16/01) is the concern for my safety and my wife's safety. We are afraid for our lives and feel that the property will slide down the slope with us in it.

3

Exhibit #B, page 2 of 5, paragraph #B – Based upon the quote "...after the attorney expenses, the HOA netted \$16k dollars." I have not received any documentation of this claim and what facts / documentation does CHFA have to substantiate this figure?

7

Exhibit #B, page 2 of 5, paragraph #C & D – Regarding the comment "Mr. Joseph alleges that the HOC refuses to provide a detail accounting of the use of the \$189k and also refused to provide a financial statement." This case' life was from November of 1996 through June of 2001 and the first (1st) document referencing the case was dated and mailed June 13,2001 which included a cover letter, review of financials as of December 31,1999 not December 31,2000 as requested and required to be sent yearly by the HOA CC&Rs, as well of a reserve study through December 31, 1998. I still have not received a copy of the fiscal budget for fiscal year of 2000 and 2001 as requested and required yearly to be sent by the HOA CC&R's. Regarding the issue and requested documents about the year-end accounting, how long is a person supposed to wait?

17

Exhibit #B, page 2 of 5, paragraph #G – This sentence states, "The HOA stated that they have not been advised of any interior damage other than the subject property." I completely disagree. Based upon recorded claim for Shadow Oak Villa III v. City of West Covina, CA AND lawsuit papers by Shadow Oak Villa III, HOA, Inc. v. City of West Covina, CA, they are; 1832 Arizona St., 1900 Hawaii St., 1904 Hawaii St., 1906 Hawaii St., & 1908 Hawaii St. These residences are in addition to the damage at my residence of 3725 Florida St. West Covina, CA 91792.

24

25

1 The City of West Covina even admits in writing that their slope is failing based upon Project #PP-96258,
2 ".slope repair at 1830 & 1832 Arizona St. (Shadow Oak Villa III)." This was part of the agenda (item #8)
3 for the City of West Covina's council meeting for Tuesday, April 21, 1998 at 7:30pm in the council
4 chambers. The agenda states "two superficial slope failures have recently occurred with the first located
5 South of Arizona St. on a maintenance district no. #4 slope and the second near the city's reservoir no.
6 #2...". The "agenda authorized the city's engineers to call for bids."

7
8 **Exhibit #B, page 3 of 5, paragraph #A** – This paragraph states "Inspect condominium unit together with
9 common areas for evidence of earth movement. Evaluate damage and recommend corrective repairs".
10 The CHFA inspector (Mr. Clint Ingle-Portfolio Mgr.) was to inspect the unit ONLY and not to "recommend
11 corrective repairs" as stated. He has no training related to the problems listed, as stated earlier in my
12 report.

13
14 **Exhibit #B, page 3 of 5, paragraph #B** - Also, he (Mr. Clint Ingle) states in part "...the visual damage
15 appears greater than the actual crack." That comment is an opinion and not a fact and should be stated
16 as such. I wonder if he would make such comments if this house was his.

17
18 **Exhibit #B, page 3 of 5, paragraph #C** - This paragraph states in part "Doors do not appear to be out-
19 of-plumb and do not contain any visible cracks on or about the interior door and window casings." This
20 sentence is incorrect because I showed Mr. Ingle the non-plumb problem with the front sliding door which
21 also shows cracks at the top and the sides.

22
23 **Exhibit #B, page 3 of 5, paragraph #D** - He also states that the "Kitchen cabinets indicate some
24 downward shift from top of ceiling, which appear to be a result of the content weight. There is no
25 evidence of drywall tear at place of installed cabinets." Based upon my research, "drywall tear" would be

1 an indication of the result of "content weight" of the cabinets. My kitchen cabinets are fastened to the
2 exact spot on the South wall where they were originally mounted when the residence was constructed.

3 The reason why the gap exists is directly related to the movement of top ceiling (horizontal wall) and the
4 side wall (vertical wall) its mounted to that is parallel to the City of West Covina owned slope.

5
6 **Exhibit #B, page 3 of 5, paragraph #G** - This paragraph states "Structure appears to be sound, no
7 other evidence of walls cracking, ect.." This specific total structure is a combination of eight (8) units,
8 one (1) on either side of common wall with a total of four (1) common wall sections. Mr. Ingle did not
9 consult or interview any of the eight owners/renters within the eight (8) units that comprise the total
10 foundation slab that is connected to my unit. Mr. Ingle does not have the expertise, training or data as
11 previously mention to make a qualified decision on this matter.

12
13 **Exhibit #B, page 4 of 5, paragraph #A** - This paragraph states in part "Neither the unit nor the
14 surrounding common areas indicate concrete sidewalk or patio cracking, neither movement up or down
15 which are consistent with earth movement." Directly behind my unit, next to the City of West Covina
16 owned slope there is a sidewalk with approx. three (3) cracks which are based on earth movement
17 caused by the City owned slope. This sidewalk was constructed subsequent to 1991.

18
19 The paragraph also states in part "Taking into consideration the 23 year age of the condominium
20 structures together with expected normal property settlement, the exterior cracks in the stucco appear to
21 be normal wear and tear". I disagree with this comment and, it is just that, his opinion which has no basis
22 since he is not trained nor does he have geological or structural engineering training and experience.

23
24 The paragraph also states in part "The evidence does not support abnormal signs of earth movement.
25 Both the interior and exterior cracks appeared before of about 1996 and have not enlarged over the

1 visible minimum cracks.” Mr. Ingle does not have any supporting documents or legal documentation to
2 substantiate this comment. Rather, it is just as indicated within his report, it is his opinion which is based
3 on his incompetent view. If he would have taken the time to investigate my FHA Title-I loan in 1992 which
4 is recorded in the L.A. County recorder and verified why the loan was contracted, he would have verified
5 that the so called “minor cracks” have reappeared after they were FHA confirmed repaired and not only
6 did they reappear, new cracks not previously documented in the Title-I report have appeared which
7 means that there is continual earth movement and new cracks are continually forming – slope failure.

8
9 **Exhibit #B, page 4 of 5, paragraph #D** - This paragraph states in part “Inspector met and talked with a
10 local appraiser performing an appraisal of a nearby unit regarding slope movement and interior walls.
11 Appraiser stated that he had performed a number of appraisals within the complex and had never seen
12 interior cracks, ect...” First of all, without documenting the “local appraisers” experience level and time on
13 the job as well as his credentials, why should an opinion be based on undocumented view of a third party
14 who could possibly be as incompetent as Mr. Ingle. It seem that Mr. Ingle only quotes info. from people
15 that has information that somewhat substantiates his claims. Why has the appraisers name, complete
16 title and real estate company worked for not been documented here. I have documented ALL of my
17 sources. It seems that some of his supporters are a figment of his imagination.

18
19 **Exhibit #B, page 4 of 5, paragraph #E** - This paragraph stated “Inspector met and talked with another
20 CHFA financed unit owner in the same proximity to the city owned slope as subject unit. Owner stated
21 that she did not have any cracks in her interior walls nor did she know of anyone that did.” This person
22 and undocumented unit is not the unit that is exactly in the closest proximity to me unit. The unit that is
23 the closest to my unit which is directly West of my unit, separated by a common wall is 3729 Arizona St.
24 Mr. Ingle for some reason refused to interview the current resident, which does have documented damage

1 and was referenced in the claim against the City of West Covina as well as the lawsuit against the City of
2 West Covina.

3
4 Exhibit #B, page 5 of 5, paragraph #A - This paragraph states in part "Inspector suggested that the
5 borrower repair the cracks and described the corrective procedure, if borrower wanted to do the work
6 himself. Borrower stated he did not want to repair the unit. In addition, he stated that the property had no
7 been listed for sale." As I said previously, Mr. Ingle does not have the experience or expertise to give
8 opinions on the "corrective procedure" for repairing this property. Mr. Ingle also was recommending a
9 'short sale" which he admitted he had no authority to suggest. Mr. Ingle's suggestions were unwarranted
10 and unsolicited and furthermore, were very inaccurate based on opinions from "qualified" professionals.
11 The complete and correct procedure involves analyzing, surveying and measuring the total property as
12 well as analyzing the slope all based upon geological and engineering principles.

13
14 In summary, based upon the letter from Ms. Parker and report from Mr. Ingle that ~~my~~ properties problems
15 are related to "normal settlement". I tend to disagree and plan on moving from my residence as soon as
16 possible because I feel this property is become unsafe. I will not jeopardize my families' safety based
17 upon the opinion of Ms. Parker or Mr. Ingle. I will be following this report with actual pictures detailing the
18 damage described by me above. I request that this rebuttal to the letter (dated June 14, 2001) sent by
19 Ms. Parker and report by Mr. Ingle, be submittal and recorded at the next regularly schedule board
20 meeting which as of today is on September 13th 2001 at 9:30am at the Burbank Hilton in Burbank, CA.

21
22 Dated this 20th day of July, 2001

23
24 By: 
Vincent R. Joseph



CALIFORNIA HOUSING FINANCE AGENCY

THERESA A. PARKER
Executive Director

CLARK WALLACE
Chairman

June 14,2001

Mr. Vincent Joseph
3725 Florida Street
West Covina, California 91792

Re: CHFA Loan No. 685-V-0092

Dear Mr. Joseph:

As you know, at the May 17,2001 Board of Director's Meeting of the California Housing Finance Agency, you requested that the Agency review the condition of your property to determine whether loan forgiveness or some type of similar arrangement might be warranted in connection with the above-referenced outstanding CHFA loan. At the meeting, you indicated that earth movement from a nearby slope had resulted in damage to your property. **You also** indicated that you have been unable to get any acceptable resolution of this problem, and you are prepared stop making payments on the CHFA loan. At that meeting, staff was directed to investigate the nature and extent of the problem.

The Agency sent a staff member to the site to inspect the damage and to interview relevant parties. The staff member discussed the matter with you, and spoke to a representative of the homeowners association, among others. In addition, representatives from different departments within the Agency have met **and** discussed the situation.

The findings of the staff investigation are contained in a report, a copy of which is attached for your information. The report concludes that abnormal earth movement is not the cause of the cracks at the site. The cracks appear to be normal and repairable. Based upon this review, the information you reported to the CHFA Board of Directors does not appear to be supported by the facts.

Based upon our review of this matter, we must conclude that there are no grounds for Agency to forgive the outstanding loan, or otherwise modify its terms. You should also note that even if the investigation had shown evidence of abnormal earth movement, CHFA would not be in a position to forgive the loan. The Agency is required to enforce the terms of its loan agreements in order to provide funds to repay the bond investors who provide the capital for home loans purchased by the Agency. Consequently, CHFA cannot forgive loans based upon risks or conditions that are legally the responsibility of the property owner.

Exhibit # A
page 1 of 2

Mr. Joseph Vincent

-2-

June 14, 2001

Our records show that the payment due on June 1, 2001 has not been made. If loan payments are not made as provided in the loan documents, the Agency will have no choice but to follow its normal legal timeframe and process for foreclosure upon the Deed of Trust.

If you have any questions regarding the staff investigation or the Agency's position, please feel free to contact Mr. Gerald Smart, Home Ownership Programs Chief at (916) 324-4649, or Mr. Thomas Hughes, General Counsel for the Agency at (916) 323-3424.

Very truly yours,



Theresa A. Parker
Executive Director

Attach.

cc Clark Wallace, Chairman of the Board, CHFA
Gerald Smart, CHFA
Thomas Hughes, CHFA

Exhibit #A
page 2 of 2

Report of Alleged Earth Movement, Borrower Complaint of 5/17/01

Borrower Complaint to CHFA Board of Directors

Borrower requests that CHFA or FHA (HUD) forgive a portion of his indebtedness by reason that the property is being degraded and has been de-valued by hillside slope creepage (ground movement) visible by cracks in his walls, door casings to be out of plumb and cabinets pulling away from the walls. Borrower stated that damage occurred about 1996. Borrower states that he will not make any additional loan payments until the condition is resolved. The next loan payment was due June 1, 2001

Borrower: Vincent Joseph
Subject Property: 3725 Florida St., West Covina, CA 91792
(Shadow Oaks Villa III)
CHFA Loan No.: 685-V-0092
Home Phone: (626) 810-3322
Business Phone: (626) 405-51873

Homeowner Association (HOA): Incline Consultants
Attn: Elma St. John
P. O. Box 281
Chino, CA 91708-2681
909) 465-5654

Lender: CHFA Loan Servicing

Property Purchase Date: 1991
Sales Price: \$82,000
Borrower Down Payment: \$2,750
Borrower Payoff Balance: \$74,000

Subject Property: Property Built: 1978 (Age 23 years)
Condominium (1 of 8 units in common building)
Property square footage (living) 700#
3 Rooms, 1 Bedrooms, 1 bath, Slab foundation, Stucco exterior walls, Tile Roof, 2 car detached garage

Exhibit # B
page 1 of 5

Background

According to Elma St. John, Homeowners Association (HOA) Manager, in 1996 the HOA informed the membership that certain earth movement had occurred causing damage to common areas and that if their individual condos had suffered damage, that they should seek damages by their personal litigation with the City of West Covina. That the City owned the slope that was causing the earth movement.

In 1996 the HOA brought litigation against the City of West Covina for damage to common areas, which was alleged to have been caused by hillside property movement owned by the City of West Covina. That litigation was settled in 2000 for \$189 thousand. After attorney expenses, the HOA netted about \$16 thousand.

Vincent Joseph filed a written complaint with the City of West Covina on May 10, 2001.

Mr. Joseph alleges that the HOA refuses to provide a detail accounting of the use of the \$189 thousand and also refuses to provide a financial statement.

According to the Elma St. John, HOA, the year-end accounting is still in the process and will be made available to the membership when complete.

Other

CHFA is continuing to purchase loans in the condominium development, two (2) loans as late as 2000. Currently there are four (4) outstanding CHFA loans in the subdivision development, including subject property.

The HOA stated that they have not been advised of any interior damage other than subject property.

Exhibit #B
page 2 of 5

‘Inspection Request

Inspect condominium unit together with common areas for evidence of earth movement. Evaluate damage and recommend corrective repairs.

Inspection Findings (as of 5/31/01)

Interior Damage of Subject Property

- Visible (non measurable) cracks appear at drywall end taped enamel painted seams extending from the kitchen running about 30’ horizontal through living room. About 1/3 along seam crack, a drywall vertical seam crack appears running to the ceiling about 4’ in length. Owner states cracks occurred about 1996. By reason of enamel paint, which is peeling about 1/2” on each side of the crack, the visual damage appears greater than the actual crack.
- Doors do not appear to be out of plumb and do not contain any visible cracks on or about interior door and window casings.
- Kitchen cabinets indicate some downward shift from top of ceiling, which appear to be a result of the content weight. There is no evidence of drywall tear at place of installed cabinets.

Exterior Damage:

- Vertical crack in stucco about 8’ by sliding glass door.
- Horizontal crack at top of sliding glass door extending 13” to window frame (about 1 mm)
- Structure appears to be sound, no other evidence of walls cracking, etc.
- Concrete patio of about 12’ X 12’ does not exhibit any signs of cracks or earth movement.
- Patio enclosure (privacy wall) fence has a 7.6 mm crack between attached stucco fence and condominium house walls.
 - Patio enclosure consists of standard fence construction, i. e. 4”X4” pressure treated wood posts spaced 8’ on center embedded in concrete to support upper fencing section with 2”X4” cross tying sections enclosed in chicken wire with stucco applied giving the illusion of being part of house structure. The 4”X4” posts appear to be rotted and drifting off plumb from house causing 7.6 mm to 10.3 mm measurable cracks in stucco separation as indicated and described above. The deterioration of the primary posts causing the pull away from the condominium walls appears to be the same on each unit.

Exhibit #B
page 3 of 5

Inspectors Opinion

Findings of Subject Property

Neither the unit nor the surrounding common areas indicate concrete sidewalk or patio cracking, movement up or down which are consistent with earth movement. Taking into consideration the 23-year age of the condominium structures together with expected normal property settlement, the exterior cracks in the stucco appear to be "normal wear and tear". The evidence does not support abnormal signs of earth movement. Both the interior and exterior cracks appeared before or about 1996 and have not enlarged over the visible minimum cracks. Considering settlement of the complex, which may have caused cracks in the exterior and interior to appear on or before 1996, that single occurrence suggests repairs could be made.

The subject unit is about 20' from the beginning of a downhill 45-degree slope extending to about 100'. Trees and vegetation appear on the slope and are watered via rain bird oscillating sprinklers. Directly outside the unit are automatic watering devices, which keep the soil moist to wet (or appeared at the time of inspection).

At the edge of the of the hill side slope is a decorative type fence consisting of a 1' poured concrete foundation footing extending about 500' along the ridge top. On the 1' poured concrete is a 2 1/2' concrete block wall with a 3' ornamental iron railing. On the section by the fence and between the condominium units is raised ground and or raised concrete walk built above the concrete blocks about 1'. The fence construction with raised ground level on the interior section (one side only) places abnormal non-equalizing weight against the fence concrete block wall thereby causing the fence over time to tilt off plumb and is being pushed toward the hillside slope. If the fence was to act as a retaining wall, the footings should have been increased per engineering specifications (greater than 1').

Inspector met and talked with a local appraiser performing an appraisal of a nearby unit regarding slope movement and interior walls. Appraiser stated that he had performed a number of appraisals within the complex and had never seen interior cracks, etc. In discussing the exterior stucco cracks, it was his opinion that they were normal in stucco walls for that area. It was also his opinion that there was no indication of earth movement and that termites were the primary concern of the complex and were causing extensive damage. Appraiser stated he did not mention possible earth movement in his appraisal report by reason of non-validation.

Inspector met and talked with another CHFA financed unit owner in the same proximity to the city owned slope as subject unit. Owner stated that she did not have any cracks in her interior walls nor did she know of anyone that did.

Exhibit # 8
page 4 of 5

Discussion with Borrower

Inspector suggested that borrower repair the cracks and described the corrective procedure, if borrower wanted to do the work himself. Borrower stated he did not want to repair the unit. In addition, he stated that the property had not been listed for sale.

CHFA Financed Units in the Condominium Complex

Property No. 1: Subject property.

Property No. 2

Located about 100' from slope and about 200' from subject property. Observed some cracks in exterior stucco walls, which appears to be normal settlement. No observable movement or cracks in concrete 12' X 12' patio.

Property No. 3

Located adjacent to subject property. No observable cracks in exterior unit walls or visible signs of movement or cracks in concrete 12' X 12' patio.

Property No. 4

Located on same side of slope as subject. Owner stated that there are no cracks in interior walls or any other interior damage. There was an visible 3' horizontal crack over the stucco patio window about 10' from concrete patio which appears to be a condition of normal wear and tear. No other observable cracks in exterior unit walls or visible signs of earth movement or cracks in concrete 12' X 12' patio.

S/

C. S. Ingle, Inspector 5/31/01

Exhibit #B

page 5 of 5



CALIFORNIA HOUSING FINANCE AGENCY

THERESA A. PARKER
Executive Director

June 14, 2001

CLARK WALLACE
Chairman

Mr. Vincent Joseph
3725 Florida Street
West Covina, California 91792

Re: CHFA Loan No. 685-V-0092

Dear Mr. Joseph:

As you know, at the May 17, 2001 Board of Director's Meeting of the California Housing Finance Agency, you requested that the Agency review the condition of your property to determine whether loan forgiveness or some type of similar arrangement might be warranted in connection with the above-referenced outstanding CHFA loan. At the meeting, you indicated that earth movement from a nearby slope had resulted in damage to your property. You also indicated that you have been unable to get any acceptable resolution of this problem, and you are prepared stop making payments on the CHFA loan. At that meeting, staff was directed to investigate the nature and extent of the problem.

The Agency sent a staff member to the site to inspect the damage and to interview relevant parties. The staff member discussed the matter with you, and spoke to a representative of the homeowners association, among others. In addition, representatives from different departments within the Agency have met and discussed the situation.

The findings of the staff investigation are contained in a report, a copy of which is attached for your information. The report concludes that abnormal earth movement is not the cause of the cracks at the site. The cracks appear to be normal and repairable. Based upon this review, the information you reported to the CHFA Board of Directors does not appear to be supported by the facts.

Based upon our review of this matter, we must conclude that there are no grounds for Agency to forgive the outstanding loan, or otherwise modify its terms. You should also note that even if the investigation had shown evidence of abnormal earth movement, CHFA would not be in a position to forgive the loan. The Agency is required to enforce the terms of its loan agreements in order to provide funds to repay the bond investors who provide the capital for home loans purchased by the Agency. Consequently, CHFA cannot forgive loans based upon risks or conditions that are legally the responsibility of the property owner.

SACRAMENTO HEADQUARTERS
1121 L STREET, SEVENTH FLOOR
SACRAMENTO, CA 95814-3974
(916) 322-3991

www.chfa.ca.gov

LOS ANGELES OFFICE
100 CORPORATE POINTE, SUITE 250
CULVER Cm, CA 90230-7641
(310) 342-1250

Mr. Joseph Vincent

-2-

June 14, 2001

Our records show that the payment due on June 1, 2001 has not been made. If loan payments are not made as provided in the loan documents, the Agency will have no choice but to follow its normal legal timeframe and process for foreclosure upon the Deed of Trust.

If you have any questions regarding the staff investigation or the Agency's position, please feel free to contact Mr. Gerald Smart, Home Ownership Programs Chief at (916) 324-4649, or Mr. Thomas Hughes, General Counsel for the Agency at (916) 323-3424.

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Attach.

cc Clark Wallace, **Chairman** of the Board, CHFA
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Thomas Hughes, **CHFA**

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Borrower requests that CHFA or FHA (**HUD**) forgive a portion of his indebtedness by reason that the property is being degraded and has been de-valued by hillside slope creepage (ground movement) visible by cracks in his walls, door casings to be out of plumb and cabinets pulling away from the walls. Borrower stated that damage occurred about **1996**. Borrower states that he will not make any additional **loan** payments until the condition is resolved. The next loan payment was due June **1,2001**

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CHFA Loan No. : **685-V-0092**
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Business Phone: **(626)405-51873**

Homeowner Association (HOA): Incline Consultants
Attn: Elma St. John
P. O. Box **281**
Chino, CA **91708-2681**
909) 465-5654

Lender: CHFA Loan Servicing

Property Purchase Date: **1991**
Sales Price: **\$82,000**
Borrower Down Payment: **\$2,750**
Borrower Payoff Balance: **\$74,000**

Subject Property: Property Built: **1978** (Age **23** years)
Condominium (1 of **6** units in common building)
Property square footage (living) **700#**
3 Rooms, **1** Bedrooms, **1** bath, Slab foundation, Stucco exterior walls, Tile
Roof, **2** car detached garage

Background

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S/

C. S. Ingle, Inspector 5/31/01

Vincent R. Joseph
3725 Florida St.
West Covina, CA 91792
626-810-3322

May 22, 2001

Ms. Theresa A. Parker
Executive Director
California Housing Finance Agency
1121 "L" Street, 7th Floor
Sacramento, CA 95814-3974

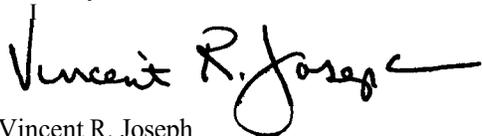
Dear **Ms.** Parker.

I would like to thank you for allowing me the opportunity to speak and present my real property situation / problem with you and the board of directors on Thursday May 17, 2001. I do know that your time is very precious and by allowing me to present my case to the California Housing Finance Agency (CHFA) board was an opportunity that I dreamed about and graciously accepted.

I also know that no solution is guaranteed but want to thank you in advance for at least getting involved with my situation. I don't know what other options might be available to me based upon the help from CHFA but I welcome any and all suggestions as well as assistance in resolving this matter in a way that is acceptable to both CHFA and I.

Once again, thank you for allowing me to present my case as well as listening to me and in the future, if you have any questions, comments or concerns, please feel to call or write.

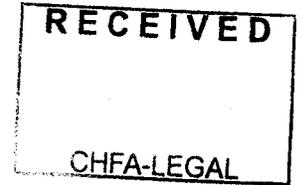
Sincerely,

A handwritten signature in black ink that reads "Vincent R. Joseph" with a long horizontal flourish extending to the right.

Vincent R. Joseph

TCH: FYI ?

Vincent R. Joseph
3725 Florida St.
West Covina, CA 91792
626-810-3322



May 22, 2001

Ms. JoJo Ojima
Office of General Counsel
California Housing Finance Agency
1121 "L" Street, 7th Floor
Sacramento, CA 95814-3974

Dear Ms. Ojima,

I would like to thank you for allowing me the opportunity to speak and present my real property situation/ problem with you and the board of directors on Thursday May 17, 2001. I do know that your time is very precious and by allowing me to present my case to the California Housing Finance Agency (CHFA) board was an opportunity that I dreamed about and graciously accepted.

I also know that no solution is guaranteed but want to thank you in advance for at least getting involved with my situation. I don't know what other options might be available to me based upon the help from CHFA but I welcome any and all suggestions as well as assistance in resolving this matter in a way that is acceptable to both CHFA and I.

Once again, thank you for allowing me to present my case as well as listening to me and in the future, if you have any questions, comments or concerns, please feel to call or write.

Sincerely,

A handwritten signature in black ink that reads "Vincent R. Joseph". The signature is written in a cursive, flowing style.

Vincent R. Joseph

FHA Case #041-784-572-270-3
CHFA Loan #011-133-3
SSN #548-37-8062

Vincent Joseph
3725 Florida St.
West Covina, CA 91792
626-810-3322

Memo

To: California Housing Finance Agency (CHFA) Chairman/ Executive Director and board members
Board of Directors CHFA Meeting - 5/17/01
Hilton Burbank Airport & Convention Center
2500 Hollywood Way
Burbank, CA

From: Vincent R. Joseph *VJ*

CC: Bob Bastein, Stephanie Stafford

Date: May 17, 2001

Re: Mortgage/ Property Problems at 3725 Florida St.

Chairman / Executive Director and all board members,

This memo / cover letter is in reference to my real estate problems regarding my address listed above. Attached to this cover letter is a narrative regarding my problem in detail.

I have been communicating with Mr. Bob Bastien (Housing Financial Specialist) and Stephanie Stafford (Loss Mitigation and Default Mgr.). I have also been communicating with various other individuals regarding my **problem** and it seems that everybody's hands are somewhat tied.

I am a very responsible individual and have never been past due on any bill including my mortgage which began 8/91.

My residences' foundation/structure is moving and the walls are cracking. The kitchen cabinets are separating from the walls and doors/windows do not close properly. It seems to be due partially or totally due to the fact that the City of West Covina's slope is moving, more commonly referred to as "slope creepage" and it **has/is** affecting my property. No one wants to help me including the City of West Covina, HOA, and the **HOAs'** insurance company (State Farm Ins.). This problem has been going on for some time and I have been paying "good faith payments" continually.

I plan on ceasing all "good faith payments" on this **mortgage** on June 1, 2001 and will put **the payments** in a holding account until such time as an equitable solution is achieved, if *such* and agreement can be made. I was hoping that CHFA or FHA could forgive part of the loan and then add the other part of the loan onto a new loan which **will** be on a new property that CHFA or FHA will finance.

Please review the **attached documents** and advise me ASAP regarding this issue. Thank you very much for your **time** and attention to this matter.

1 **CERTIFIED MAIL #7000-0520-0023-3565-4857**

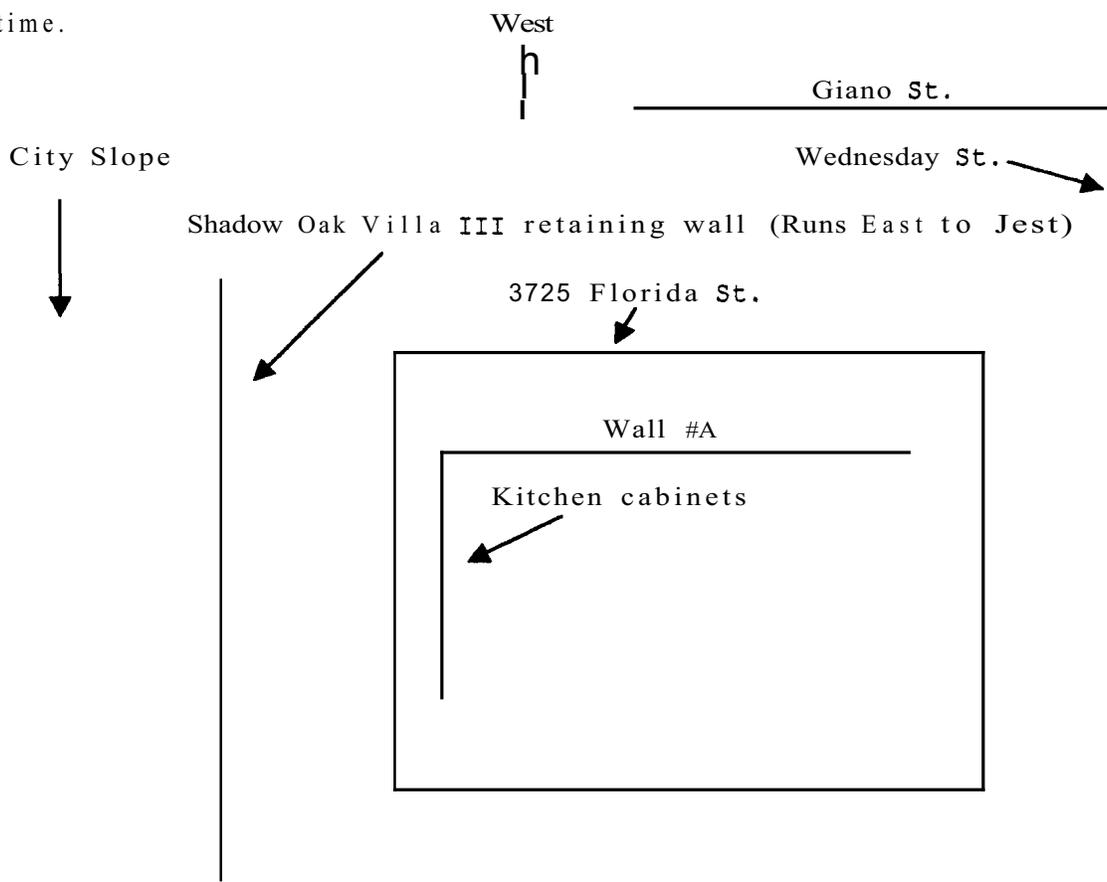
2
3 In re: Vincent R. Joseph's residence) FHA Case No.: No. **041-784-572-2-703**
4 3725 Florida St. W.Covina, CA 91792) FHA Loan No.: No. 01-1133-3
5)
6 California Housing Finance Agency,)
7 1121 L Street, #103)
8 Sacramento, CA **95814**)
9)

10
11 Ms. Stephanie Stafford (Loss Mitigation & Default Mgr.), this narrative
12 describes in detail the damage regarding the foundation movement possibly
13 based on slope creepage/failure from the slope owned by the City of West
14 Covina and the summary of some of the entities contacted regarding this issue
15 to date.

16
17 First, my complete name is Vincent Ronald Joseph and I live at **3725**
18 Florida St. West Covina, CA **91792** which is the property I purchased in August
19 of **1991** as a single man. My SSN is **548-37-8062** and I have A-1, perfect
20 credit'. I have NEVER been past due on ANY bill. The legal description of
21 the property I purchased is lot **114** of track **31619** in map book **890**, pages **85**
22 & **89** inclusive of maps in the office of the Los Angeles County recorder. The
23 APN number is **#8732-114**. There is also a detached 2-car garage that is also
24 associated with this property.

25
' see exhibit #A - Copy of my Experian credit profile dated 4/9/01.

1 The legal description of the garage is lot 129 designated as G114. This
2 property is apart of the Shadow Oak Villa III (PUD) complex previously known
3 as "Woodside Village", built in approx. 1976 by Arden Group in Encino, CA.
4
5 Some time after moving into my unit after escrow closed (August 1991), I took
6 out a home improvement loan to fix up the place. I did/had done various types
7 of work including new carpet and painting the walls and trim. Prior to
8 painting the walls, I used spackling to fill up the small horizontal cracks
9 in the walls. A few years later, the previous cracks that were filled up
10 reappeared with the addition of **NEW** cracks starting to form. These **NEW**
11 cracks were vertical compared to the previous cracks and have appeared in
12 various other positions to this wall which I will describe as wall #A. **Also,**
13 new cracks in other walls started to **form** and all began to lengthen over
14 time.



2 The retaining wall is tilting south at an approx. angle of 75% assuming
3 the wall was built at a degree of 90% (right angle). This *is* why I/We say
4 the slope is moving.

5 Facing West, looking at wall number #A which *is* perpendicular to the
6 retaining wall as well as the city slope, the cracks diminish the farther
7 away from the slope/wall you walk. This crack has begun to increase in
8 aidth. The new cracks that have recently appeared are vertical cracks that
9 point from the floor to the ceiling beginning where the horizontal crack
10 Lies. New cracks have begun to form on the wall where the kitchen cabinets
11 are bolted. The cracks direction are east to west.

12
13 The City of West Covina owns the slope that is directly South of and
14 butting up to the property line of the Shadow Oak Villa III complex. The
15 city owned slope that is allegedly failing is legally described as lots 128 &
16 131 of track 31619 in the city of West Covina, County of Los Angeles, State
17 of California identified on sheets 3 and 4, described as instrument no.
18 #78218617, filed in book 890 on page 85 in the county recorder in Los Angeles
19 County, California. The Shadow Oak Villa III complex is bounded upon the
20 North side by Wednesday St. and on the West side by Giano St. in the City of
21 West Covina, CA. The slope is adjacent to a private street known as Florida
22 St. which is within the Shadow Oak Villa III complex.

23
24 On March 26, 1996 the Shadow Oak Villa III HOA, Inc. filed a claim for
25 injury to real property against the City of West Covina in the County of Los
Angeles. The **claim was** denied on July 16, 1996.

1 The HOA amended the claim and re-filed another claim on August 20, 1996 and
2 was again denied, this time on September 19, 1996. The HOA then filed a
3 lawsuit against the City of West Covina on November 6, 1996 (CaseNo. #KC-
4 324139) to be heard in the East Judicial Court by Judge Karl Jaeger in dept.
5 #G. The court date was set for July 31, 2000 with mandatory settlement
6 conferences scheduled for January 4, 2000 and January 31, 2000. On June 26,
7 2000, the City of West Covina accepted the proposed settlement offer from the
8 Shadow Oak Villa 111, HOA. The settlement offer was for the City of West
9 Covina to pay \$189,000 to the Shadow Oak Villa 111, HOA with regards to the
10 HOA's claim. Also, State Farm Insurance Co. who insures the Shadow Oak Villa
11 III complex will pay \$7,500 to the City of West Covina inclusive of any and
12 all costs and attorney fees.

13
14 I notified the association in writing on March 20, 2001 of various
15 documents that I need from the association that is privy to me based upon the
16 HOA by-laws, CC&R's and the right based upon being a member in good standing
17 of the HOA. I was denied various documents based upon the advice of the HOA
18 attorneys (Fiore, Racobs & Powers of Irvine, CA). I followed up with two (2)
19 letters dated April 17, 2001 and May 2, 2001 to the association regarding
20 more documents as well as the rescheduling of the interestingly cancelled HOA
21 meeting which was cancelled at the last minute (same day cancellation). The
22 HOA was yet to fully comply with all of my defined issues and documents that
23 are due me based upon my being a current paid member of the HOA and also
24 based upon the HOA by-laws and CC&R's.

25

1 On May 9, 2001 I filed a claim" against the City of West Covina for
2 damages to real property for \$91,257.10 which includes a pay-off of the
3 mortgage on 3725 Florida St. legally identified as lot 114 of track 31619.
4 The claim is based partly on slope failure and the lack of safe use of the
5 property. Since the prior two (2) claims by the HOA were denied, I doubt if
6 this claim will be honored.

7
8 On May 11, 2001 I filed a claim' with State Farm Insurance Co. via the
9 Shadow Oak Villa 111, HOA which is what I was told is the required protocol.
10 I was told by the HOA that State Farm would not honor any type of claim. I
11 told them to let State Farm Insurance Co. (John Sinner Ins. Agency) prove to
12 me in writing the denial, if in fact there is a denial.

13
14 In summary, listed below is why I feel at least one if not **all** three entities
15 **is** liable for house damage to my unit:

- 16 1. City of West Covina - the City owned slope has been **ill**
17 maintained which has caused movement on my property.
- 18 2. State Farm Insurance - since my structure is defined in the
19 global policy as being covered regarding damage and since the
20 foundation **is** apart or the beginning of the structure, then they
21 should repair the complete structure/foundation.

22
23
24 ² Exhibit #B - Claim against the City of West Covina

25 ¹ Exhibit #C - Claim against State Farm Insurance Co.

1 3. Shadow Oak Villa III (HOA - since the HOA decided among its
2 board members and took on the responsibility to make the decision
3 (without member vote) to settle with the City of West Covina,
4 then they are liable for my damage for four (4) reason:

5 i. I was denied my legal right as a homeowner and paid
6 member in good standing within the Shadow Oak Villa III
7 HOA my legal right to vote on any issue where the HOA
8 goes into a legal contract longer than 12 mos.

9 ii. Since the HOA took my right to vote away from me, then
10 they are legally responsible and liable for my damages
11 since they as well as I don't know what would have
12 happened if the lawsuit (that I am paying for) would
13 have run its course.

14 iii. The HOA claim against the City of West Covina as well as
15 the lawsuit against the City of West Covina referenced
16 in detail damage to my unit and issues regarding my unit
17 with the given assumption that they are responsible
18 based upon representation of my unit.

19 iv. Negligence based upon violations against the homeowners
20 within the complex by disregarding their sworn duty to
21 uphold the HOA By-Laws, Articles of Incorporation as
22 well as the HOA CC&R's.
23
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This is a summary of what has transpired regarding my property
described earlier in this narrative.

With the respect to all, I will stop making "good faith" mortgage
payments beginning June 1, 2001 if I don't have an equitable plan or solution
revised by either CHFA, FHA or the California Bond Investors for assistance
regarding my property by May 30, 2001. I will put each and every "good
faith" mortgage payment from that moment in a holding account until a
permanent decision is made and agreed upon by me regarding the future of said
payments.

If you have any questions or comments regarding the situation I/We are
in, please feel free to write and/or call (626-810-3322).

Dated this 13th day of May, 2001



Vincent R. Joseph

Experian
NCAC
P.O. Box 9595
Allen TX 75013

Personal Credit Report

About this report

Experian collects and organizes information about you and your credit history from public records, your creditors and other reliable sources. We make your credit history available to your current and prospective creditors and employers as allowed by law. We do not grant credit or evaluate your credit history. Personal data about you may be made available to companies whose products and services may interest you.

Important decisions about your creditworthiness are based on the information in this report. You should review it carefully for accuracy.

Information affecting your creditworthiness

Below is a summary of the information contained in this report.

Potentially negative items listed

| | |
|------------------------------------|----|
| Public records | 0 |
| Accounts with creditors and others | 0 |
| Accounts in good standing | 25 |

If you have questions
For all questions about this report, please locate your Report Number, then call us at:

800-583-4080

M - F 9am - 5pm in your time zone.

Information is updated frequently, so you should call us within 90 days from the date on this report.

To order your credit report with instant online delivery, or for helpful information about credit, visit our Web site:
www.creditexpert.com

0023754 3 AT 0.655 L 871 **
VINCENT R JOSEPH
3725 FLORIDA ST
WEST COVINA CA 91792-2409

Exhibit #A
pg. 1 of 1





RISK MANAGEMENT 814-8480

CLAIM AGAINST THE CITY OF WEST COVINA
(For Damages to Persons or Personal Property)

RECEIVED

MAY 10 2001

CITY CLERK'S OFFICE
CITY OF WEST COVINA

Received by JB via
U.S. Mail
Over the Counter

A claim must be filed with the City Clerk of the City of West Covina within 180 days after which the incident or event occurred. Be sure your claim is against The City of West Covina, not another public entity. Where space is insufficient, please use additional paper and identify information by paragraph number. Completed claims must be mailed or delivered to: The City of West Covina, Attention City Clerk, P.O. Box 1440, West Covina, CA 91793.

TO THE HONORABLE MAYOR AND CITY COUNCIL, The City of West Covina, California

The undersigned respectfully submits the following claim and information relative to damage to persons and/or personal property.

1. NAME OF CLAIMANT: VINCENT R. Joseph
 - a. ADDRESS OF CLAIMANT: 3725 Florida St.
CITY W. COVINA STATE CA ZIP 91792
 - b. PHONE NO. 626-810-3322 c. DATE OF BIRTH 4.23.61
 - d. SOCIAL SECURITY NO. 548-37-8062 e. DRIVERS LIC. NO. V-8099182
2. Name, telephone and post office address to which claimant desires notices to be sent if other than above: - SAME AS LISTED ABOVE -
3. Occurrence or event from which the claim arises:
 - a. DATE: UNABLE TO DETERMINE TIME: UNABLE TO DETERMINE
 - b. PLACE (exact and specific location): 3725 Florida St. West Covina, CA
 - c. How and under what circumstances did damage or injury occur? Specify particular occurrence, event, act or omission you claim caused the injury or damage (use additional paper if necessary):
- see attached document
- d. What particular action by the City, or its employees, Caused the alleged damage or injury: City owns slope failure, creepage, see attached document

A

Exhibit # B
Pg. 1 of 7

4. Give a description of the injury, property damage or loss, so far as is known at the time of this claim. If there were no injuries, state "no injuries".

- see Attached document -

5. Give the name(s) of the City employee(s) causing the damage or injury:

The City of West Covina's employee(s) that caused the damage is unknown to claimant. See attached document.

6. Name and address of any other person injured: None, at this time (5.9.01), but could be personal injury in the future.

7. Name and address of the owner of any damaged property: Vincent R. Joseph 3725 Florida St. West Covina, CA 91792

8. Damages claimed:

a. Amount claimed as of this date: \$ ~~89,057.¹⁰~~ ^{9,257.¹⁰}
b. Estimated amount of future costs: \$ UNABLE to determine - OPEN
c. Total amount claimed: \$ 89,057.¹⁰ + future damage
d. Basis for computation of amounts claimed (include copies of all bills, invoices, estimates, etc.): - see Attached

9. Names and addresses of all witnesses, hospitals, doctors, etc.

- a. HellenA C. Joseph 3725 Florida St. W. Covina, CA 91792
- b. Richard G. Burrow 12 Indian Hill Ln. Aliso Viejo, CA 92653
- c. Fiore, Walker, Racobos & Powers 18400 Van KARMAN AVE, #600 IRVINE, CA 92715
- d. _____

10. Any additional information that might be helpful in considering claim:

- Please see Attached document -

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FAKE CLAIM!
(Penal Code §72; Insurance Code 9556.1)

I have read the matters and statements made in the above claim and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters I believe the same to be true. I certify under penalty of perjury that the foregoing is **TRUE** and **CORRECT**.

Signed this 9TH day of MAY, 2001 at 4:31 PM

Vincent R. Joseph
CLAIMANT'S SIGNATURE Exhibit #B

1 **Vincent R. Joseph (Claimant) v. City of West Covina**

2
3
4
5 Vincent R. Joseph,) Claim for damages for injury to real property
6 Claimant,) (Government code Section 900, et seq.)
7 v.)
8 City of West Covina,)
9)
0)

1
2 To the honorable Mayor, City Council and City Clerk for the City of West Covina, California.

3 You are hereby notified that Vincent R. Joseph who resides at **3725 Florida St.** West Covina.

4 California 91792 claims **damages**, (based on inverse condemnation, negligence, dangerous and
5 hazardous conditions) and request for injunctive relief to abate a nuisance from the City of West Covina
6 California in the amount of \$91,257.10 (Ninety One Thousand Two Hundred Fifty Seven Dollars and Ter
7 cents) See schedule #A for details.

8
9 This claim is based upon a hillside slope failure (creapeage) which occurred on real **property**
0 **owned and for maintained by** the City of West Covina just North of the Southern boundary line of the City
1 **of West Covina within the Shadow Oaks Villas III project which** is bounded upon the North side by
2 **Wednesday St.** in the City of West **Covina** and which is adjacent to a private street **known** as Florida **St.**
3 within the Shadow Oak Villas III **project** and **more** specifically defined as Lots **128 8 131** of **Tract No.**
4 **31619** in the **City** of West Covina, County of **Los** Angeles, State of California as identified on sheets **3 and**
5 **of** the certain tract map recorded as instrument no. **#78218617** filed in book 890 at page **85** of map
6 records, Los Angeles County, California.

1 The slope failure, has resulted in damages to real property, adjacent thereto, and improvements
2 thereon. The hazardous condition created by the slope failure has resulted in subsidence damage to
3 PUD unit located on lot 114 of track 31619. (described above) which is contiguous to the slope failure in
4 question and is adjacent to Florida Street within the Shadow Oak Villas III project. There is also a
5 perimeter wall which separates the City of West Covina's slope that is also failing that is within the
6 Shadow Oak Villas III project, running contiguously between the City of West Covina's slope and the
7 Shadow Oak Villas III project and damage within the project within the same locale.

8
9 I believe that the slope failure will continue to occur and continue to damage my property (real &
personal) located on Lot 114 of track 31619 defined in Los Angeles County in the City of West Covina,
1 physical address located at 3725 Florida Street in the City of West Covina. California in the County of Lo:
2 Angeles, California. I also believe that serious harm will come to me and all occupants of my structure
3 commonly know as lot 114 or track 31619 which I'm now taking action to prevent.

4
5 The name(s) of the public employee(s) causing the injury to the Claimant's real property are not
6 presently known to the Claimant. However, Claimant believes that the slope failure is due to the City of
7 West Covina's failure to repair and/or maintain and/or stabilize the slope area which is presently failing.

8
9 All notices or other correspondence and communications with regard to this claim should be sent
10 to Vincent R Joseph. 3725 Florida St. West Covina. CA 91792.

11 Dated this 9th day of May, 2001

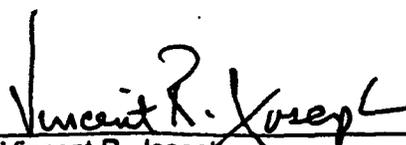
By: 
Vincent R. Joseph
Claimant

Exhibit #B
4.F.7

Vincent R. Joseph v. City of West Covina Schedule of Claim Fees

| | |
|--|---|
| <p>\$74,195.30 1,990.00 91.80 13,980.00 1,000.00 <u>91,257.10</u></p> | <p>Mortgage pay-off good through 5/30/01 (See section I, below) Storage Fees for 12 mos. (See section II, below) Moving Costs (See section III, below) Apartment Rents for 12 mos. (See section IV, below) Other (gas, moving help, ect...)</p> |
|--|---|

Section I

| | |
|------------------|--|
| <p>74,195.30</p> | <p>Califomai Housing Finance Agency mortgage pay-off amount good through 5/30/01 by 4:00pm. (See exhibit #A)</p> |
|------------------|--|

Section II

| | |
|--|--|
| <p>1,980.00 10.00 <u>1,990.00</u></p> | <p>Public Storage - 18711 E. Valley Blvd. La Puente, CA 626-913-1655 10' x 15' drive up storage unit. \$165/mo. + \$10.00 admin. Fee. (Spoke to Alana at 626-913-7988)</p> |
|--|--|

Section III

| | |
|--|--|
| <p>30.00 11.80 50.00 <u>91.80</u></p> | <p>U-Haul - 17959 E Valley Blvd. La Puente, CA 626-935-0226 17' Moving Truck \$30.00/day plus .59/mile, plus \$50.00 misc. & boxes (Spoke to Eric at 626-935-0226)</p> |
|--|--|

Section IV

| | |
|---|--|
| <p>12,780.00 1,200.00 <u>13,980.00</u></p> | <p>Pleasant Ridge Apts. - 17800 E. Colima Rd. Rowland Hgts, CA 626-965-8429 1-Bedroom (plan #B \$1,065.00/mo.), plus garage access (\$100.00/mo.) (See exhibit #B)</p> |
|---|--|

CALIFORNIA HOUSING FINANCE AGENCY
1121 L Street, Suite 103
Sacramento, CA 95814

PHONE: 916-323-2022 FAX: 916-324-1050

May 02, 2001

TO:

Vincent R Joseph
3725 Florida St
West Covina, CA 91792

LOAN TYPE: FHA

RE: Vincent R Joseph

LOAN NO: 011133-3
PROPERTY: 3725 Florida St
West Covina CA 91792

3725 Florida St
West Covina, CA 91792

* ONLY CERTIFIED FUNDS WILL BE ACCEPTED FOR THE *
* PAYOFF SHOWN BELOW ON THE CAPTIONED MORTGAGE. *

These figures are due to May 31, 2001.

This loan is due for the May 01, 2001 payment.

| | | |
|---|----|-----------|
| The current total Unpaid Principal Balance is: | \$ | 73,114.14 |
| Interest at 8.25000% | | 1,005.32 |
| Pro Rata MIP | | 58.84 |
| Recording Fee | | 17.00 |
| * * * • TOTAL AMOUNT TO PAY LOAN IN FULL * * • • * \$ | | 74,195.30 |

Funds received on or after May 31, 2001 will require an additional \$ 16.53 interest per Day.

These figures are subject to final verification by the Noteholder. Figures may be adjusted if any check/money order previously received is rejected by the institution upon which it was drawn.

The escrow balance is subject to audit and may change due to receipts and/or disbursements from the account prior to payment in full. The current escrow balance of \$ 137.31 will be refunded upon receipt of the release from the current Noteholder.

issuance of this statement does not suspend the contract requirement to make the mortgage payments when due. A late charge of \$ 29.38 will be assessed 15 days after a current payment is due and should be added to the payoff total if received after that time.

If this property is sold, please provide the seller's forwarding address Please send a copy of the Deed of Trust and the Preliminary Title Report showing CHFA's recorded lien(s) with the payoff check.

This statement is valid for thirty (30) days from the above date.

PAYOFF DEPARTMENT

KP-053/REB

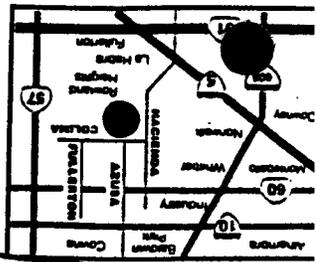
claim cc: Borrower
↓
Exhibit # A
1 of 1
Narrative
↓
Exhibit # E
6 of 7

case say, "I saw it in For Rent Magazine"

Visit For Rent apartments on the Internet:
<http://www.apartment.com>

Equal Housing Opportunity

For Up-to-the-Minute Information 24 Hours a Day
Call 1-800-864-3557 and enter Code 2027



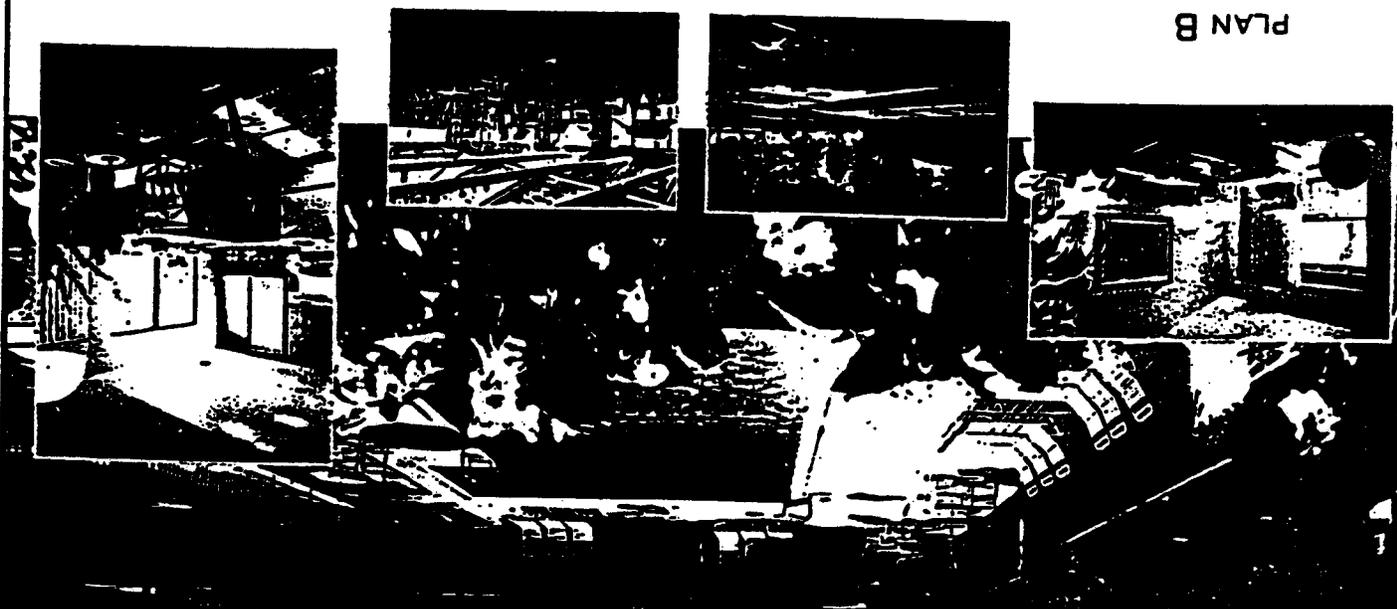
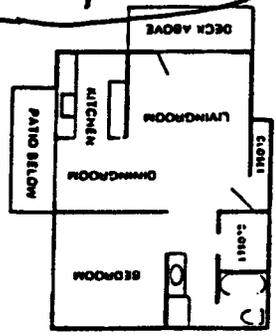
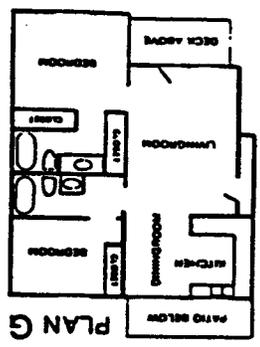
(626) 965-8429

17800 E. Colma Rd. • Rowland Heights, CA 91748

\$1,065/Mo
100 / Mo (Garage)

- Enclosed Backyards • 4 Swimming Pools and 2 Spas • Lease Discounts Available • State-Of-The-Art Fitness Center • Corporate Suites Available
- 8 Of The Largest And Most Unique Floorplans • 4 Lighted Tennis Courts • Lush Landscaped Grounds

Enclosed Garage (Available)



Pheasant Ridge

The Great Escape

Native
Exh. 101 + #B
7 of 7

Exh. 101 + #B

COMMERCIAL PROPERTY LOSS NOTICE

DATE (mm/dd/yy)
05/11/01

PRODUCER
John R. Sinner Ins. Agency
1129 E. Main St., Box 1030
Alhambra CA 91801
Lic #058-9670

PHONE 626-576-1078

MISCELLANEOUS INFORMATION
(Site & location code)

DATE OF LOSS AND TIME
N/A N/A AM PM

PREVIOUSLY REPORTED
 YES NO

POLICY TYPE
COMPANY AND POLICY NUMBER
NAIC CODE

PROP/HOME CO: State Farm Ins. Co.
POL: #92-36-3946-5-G

EFF DATE
EXP DATE

MODE SUBCODE

FLOOD CO:

AGENCY CUSTOMER ID

WIND CO:

WIND POL:

INSURED
NAME AND ADDRESS OF INSURED
Vincent R. Joseph
3725 Florida St.
West Covina CA 91792

DATE OF BIRTH
N/A
FEDERAL ID #:
N/A

CONTACT
NAME AND ADDRESS OF CONTACT
Vincent R. Joseph
3725 Florida St.
West Covina CA 91792

RESIDENCE PHONE (A/C, No)
626-810-3322

BUSINESS PHONE (A/C, No, Ext)
626-810-3322

NAME AND ADDRESS OF SPOUSE (if applicable)
N/A

DATE OF BIRTH
N/A
SOC SEC #:
N/A

FAX NUMBER (A/C, No)
N/A
WHERE TO CONTACT
Residence
BUSINESS PHONE (A/C, No, Ext)
N/A
WHEN TO CONTACT
ASAP

LOCATION OF LOSS
3725 Florida St.
West Covina, CA 91792

POLICE OR FIRE DEPT TO WHICH REPORTED
N/A

KIND OF LOSS
 FIRE LIGHTNING FLOOD OTHER (explain)
Structure Damage

PROBABLE AMOUNT ENTIRE LOSS
\$ 91,257.10

DESCRIPTION OF LOSS & DAMAGE. (Use separate sheet, if necessary)
*** See attached document (3 pgs.) for explanation of loss ***

| MORTGAGE | | DESCRIBE ADDITIONAL COVERAGES PROVIDED | |
|--------------------------|------|--|--|
| OR MORTGAGE | DATE | | |
| <input type="checkbox"/> | | | |

COVERAGE A. EXCLUDES WIND
SUBJECT TO FORMS (insert form no. and edition dates, special deductibles)

| FIRE, ALLIED LINES & MULTI-PERIL POLICIES (Complete only those items involved in loss) | | | | | |
|--|------------------------------------|--------|---------|------------|---|
| ITEM | SUBJECT OF INSURANCE | AMOUNT | % COINS | DEDUCTIBLE | COVERAGE AND/OR DESCRIPTION OF PROPERTY INSURED |
| <input checked="" type="checkbox"/> | BLDG <input type="checkbox"/> CNTS | | | | |
| <input checked="" type="checkbox"/> | Patio | Open | | | PUD - Structure / Foundation |
| <input type="checkbox"/> | BLDG <input type="checkbox"/> CNTS | | | | |
| <input type="checkbox"/> | | | | | |
| <input type="checkbox"/> | BLDG <input type="checkbox"/> CNTS | | | | |
| <input type="checkbox"/> | | | | | |

SUBJECT TO FORMS
Insert form numbers and edition dates, special deductibles

FLOOD BUILDING: DEDUCTIBLE: ZONE: PRE FIRM DIFF IN ELEV FORM TYPE GENERAL DWELLING CONDO
POLICY CONTENTS: DEDUCTIBLE: ZONE: POST FIRM TYPE DWELLING CONDO
WIND BUILDING DEDUCTIBLE CONTENTS ZONE: FORM TYPE GENERAL DWELLING CONDO
POLICY CONTENTS: DEDUCTIBLE: ZONE: TYPE DWELLING CONDO

REMARKS/OTHER INSURANCE (List companies, policy numbers, coverages & policy amounts)
N/A

| AT # | FICO # | ADJUSTER ASSIGNED | ADJUSTER # | DATE ASSIGNED |
|------|--------|-------------------|------------|---------------|
| | | | | |

REPORTED TO: Vincent R. Joseph
SIGNATURE OF PRODUCER OR INSURED: Vincent R. Joseph
the QWIK APP company, inc. Created at www.claimsonline.com QWIK 0-1 (1998)

Exhibit #C
1 of 4

| | |
|---------------------------|--|
| ■ Vincent R. Joseph, |) General Policy No.: 92-36-3946-5-G |
| |) |
| |) Claim for damages for injury to real |
| |) property |
| vs. |) |
| |) |
| |) |
| State Farm Insurance Co., |) |
| |) |

Mr. John .R. Sinner, this claim narrative is associated directly with the (generic) claim form that is attached. Since your company does not have a claim form for me to use, I must use this form to better document pertinent information regarding my asset and claim.

This claim is for damages for injury to real property specifically located at 3725 Florida St. in the City of West Covina and the State of California. The legal description of the property identified above is lot 114 of tract 31619 in map book 890 located on pages 85 & 89 inclusive of maps in the office of the Los Angeles County recorder.

Based upon Section I and item 1 (Property Coverages - Buildings), of the State Farm Insurance Co., Condominium / Association Policy, my claim is for the repair and/or replacement of damages to my property listed above. Areas that are damaged are listed below:

1. Foundation / Structure (including framing)
2. Patio (inclusive 6 exclusive)

Section I (Property Coverages - Buildings) on page #2 of the State Farm Condominium / Association Policy states (in part):

When a limit of insurance is shown in the Declarations for Coverage A, we will pay for accidental direct physical loss to buildings as the premises described in the Declarations caused by an insured loss. Buildings, meaning buildings and structures, including the following types of property at the described premises - garages, storage buildings, swimming pools, fences, retaining walls and other structures.."

Property damage (as described in Section II, item 15) states:

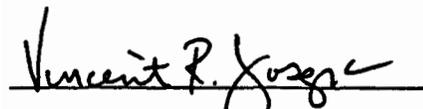
"Property damage means: physical injury to *or* destruction of tangible property including all resulting loss of use of that property. All such loss of use will be considered to occur at the time of the physical injury that caused it.."

I have been repeatedly denied the two (2) survey reports (that I paid for) that were completed on my residence (listed above) based upon the damage to my unit that substantiates the partial loss of use and now total loss of use. Therefore, I will not spend any more money at this time to document the damage any further. If the need arises in the future, the decision will be made at that time.

This matter is quickly becoming a nuisance, health issue, and a dangerous and hazardous condition and you are now on record as being legally notified of the problem. I don't want any of my occupants to receive any physical damage or harm as a result of the building and structure damage that has previously happened and will continue to happen.

All notices or other correspondence and communication with regard to this claim should be mailed / sent to Vincent R. Joseph, 3725 Florida St. West Covina, CA 91792.

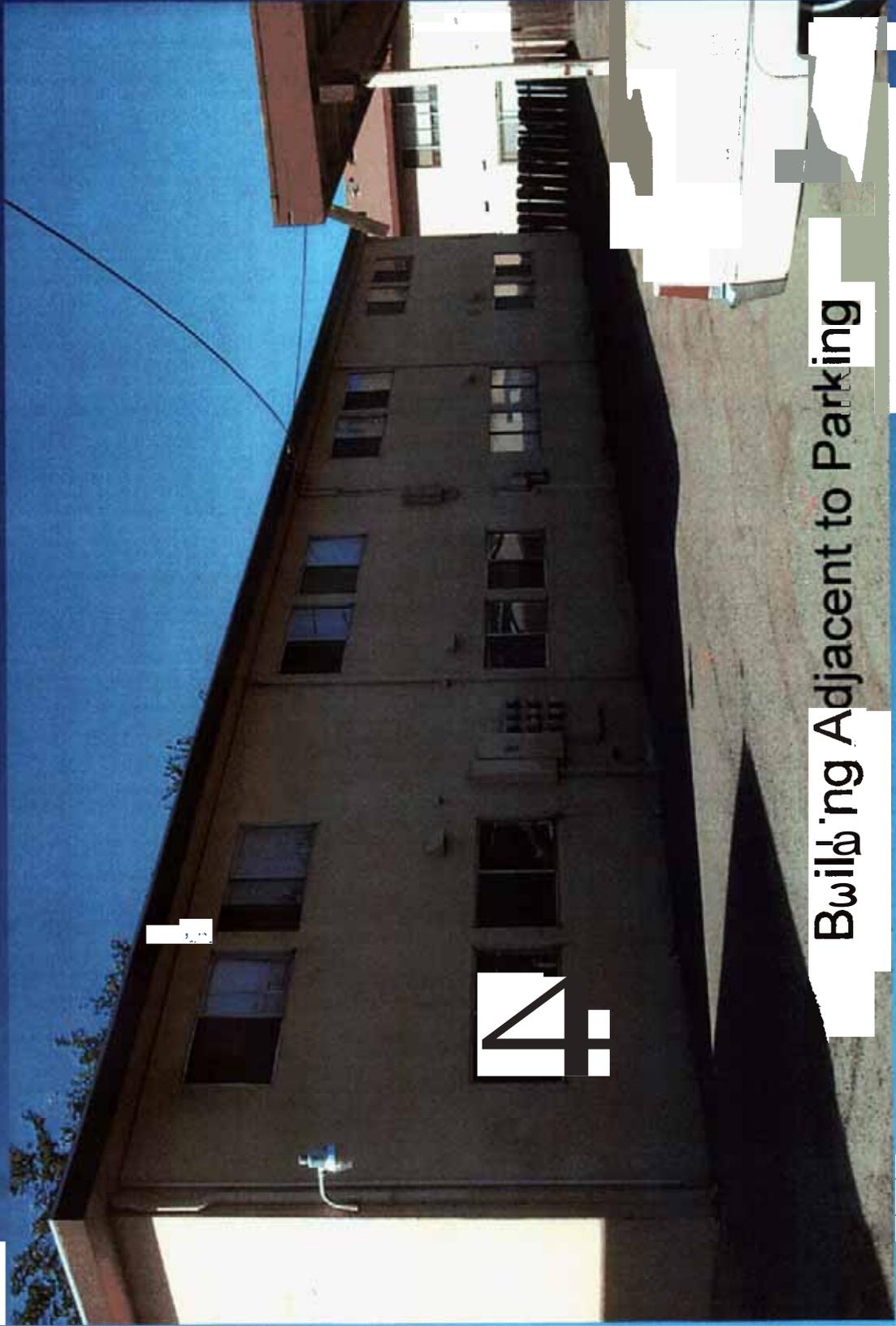
Dated this 11th day of May, 2001



Vincent R. Joseph

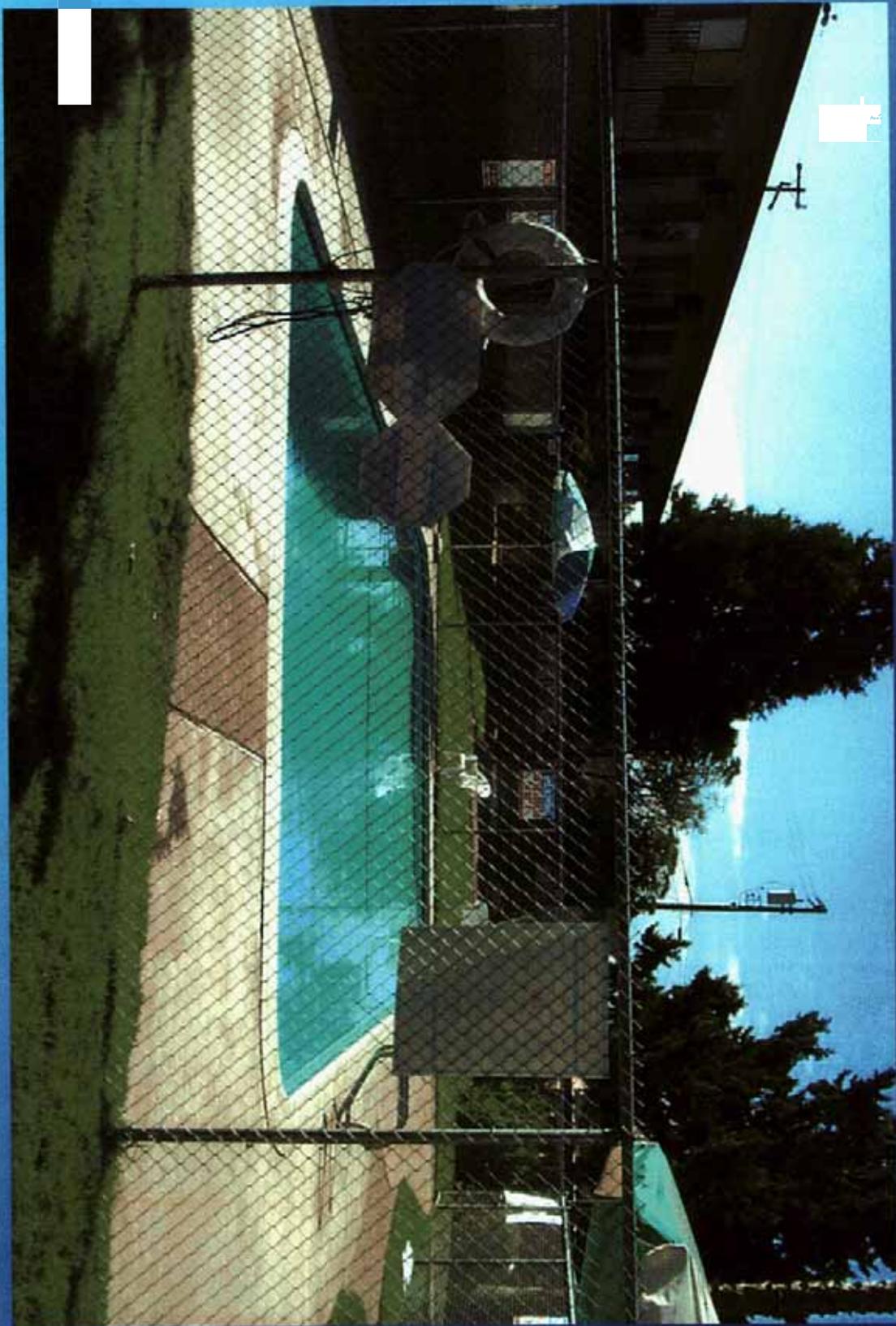
Claimant

Union Court



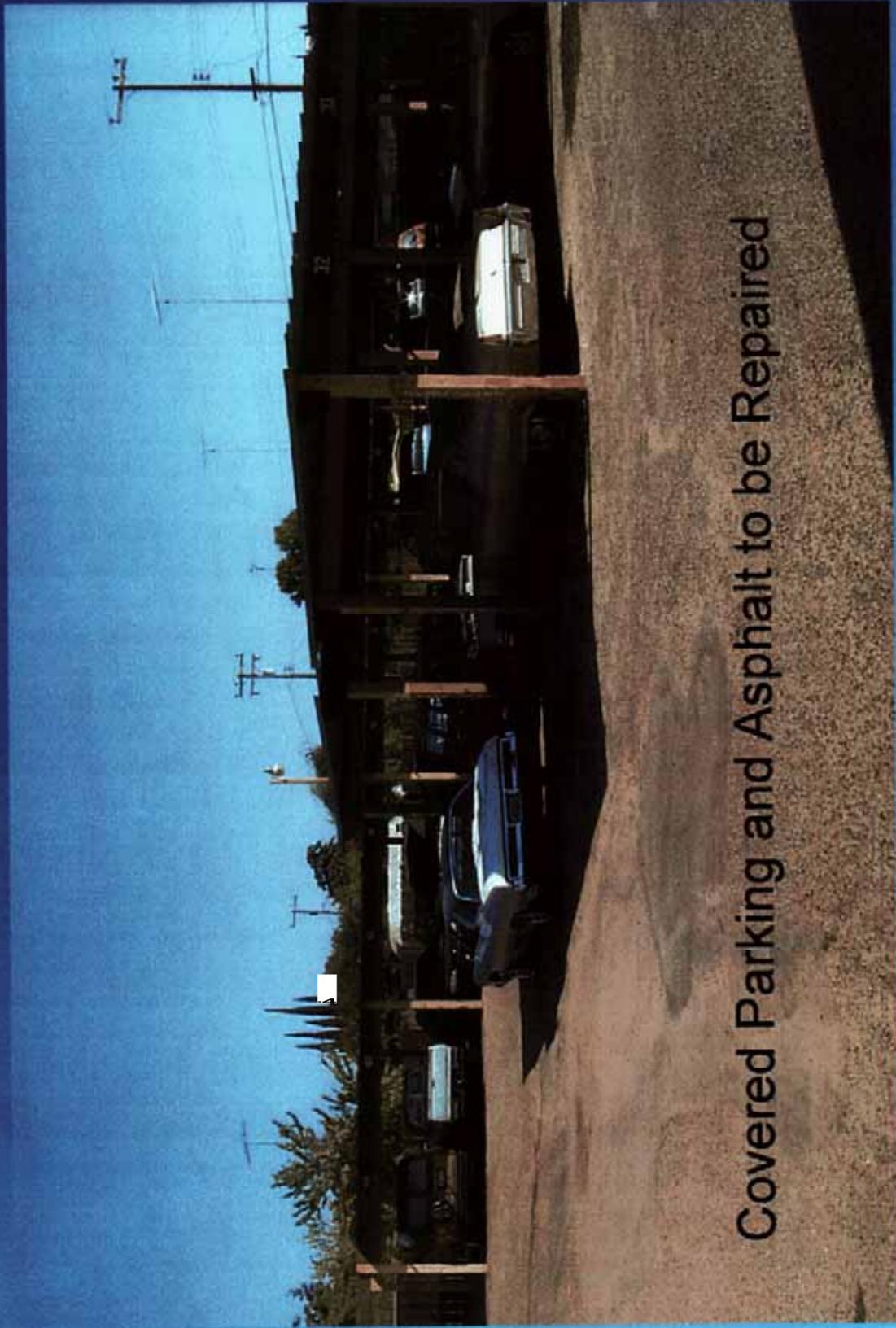
Building Adjacent to Parking

1000



Union Court

Union Court



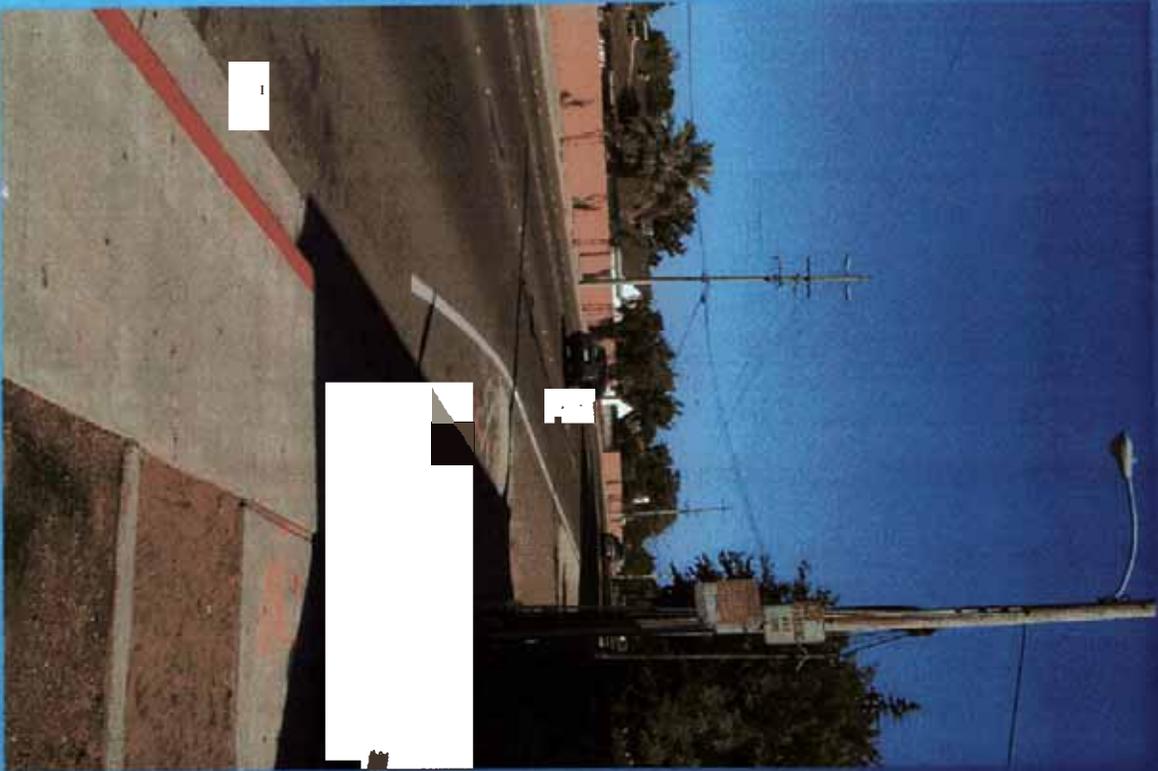
Covered Parking and Asphalt to be Repaired

Union Court



- Exterior Rehab
- New Siding
 - Railings and Balconies
 - New Roofs and Doors

Union Court



View from front of the Site

Union Court Apartments Rent Levels

Monthly Rent

\$700
\$600
\$500
\$400
\$300
\$200
\$100
\$0

\$600

\$544

\$442

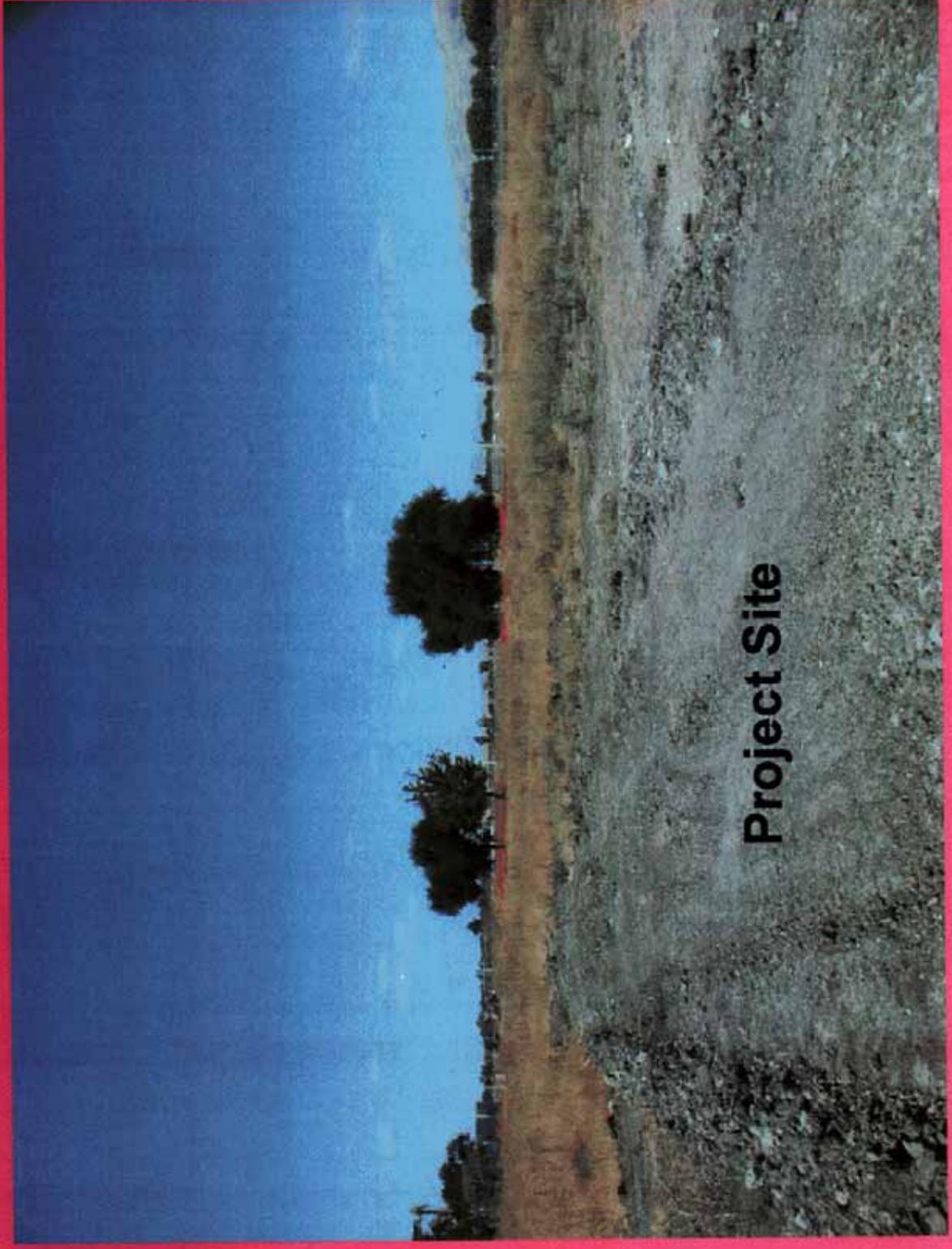
\$316

Two Bedroom

- 30% Rents
- 50% Rents
- 60% Rents
- Market

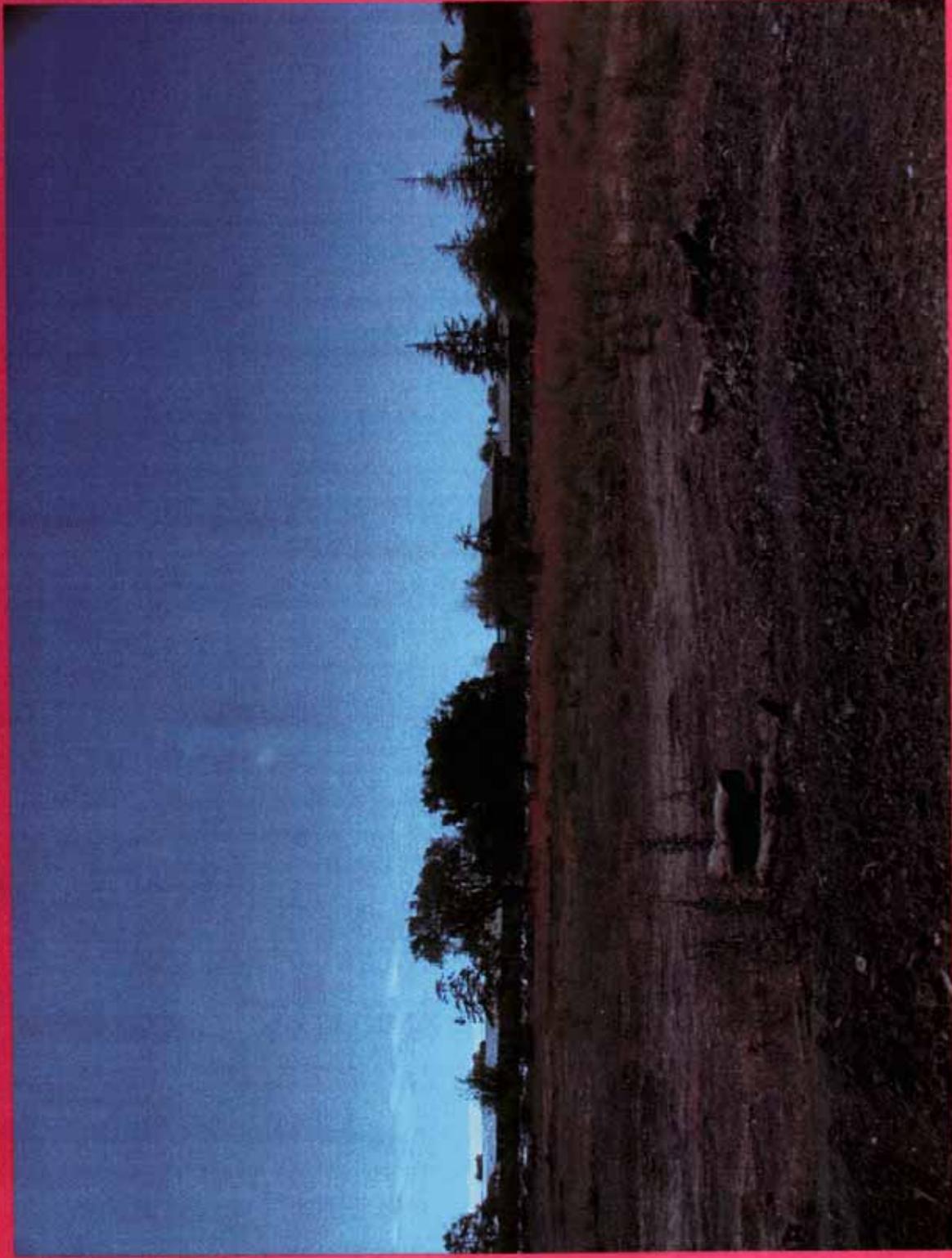


Life Services Alternative



Project Site

Life Services Alternative



Life Services Alternative



ARCHITECTURE
BY
[unreadable]

Life Services Alternatives Rent Levels

Monthly Rent

