

# SIERRA PARK SERVICES COMPANY

P. O. Box 293, Mi Wuk Village, CA 95346, (209) 586-3098

TO: All Sierra Park Services Company Shareholders  
FROM: Michael Lechner, SPSC President  
SUBJECT: May 24, 2015 Annual Meeting  
DATE: April 9, 2015

Enclosed is official notice of the upcoming SPSC Annual Meeting of Shareholders, a Proxy Form, and proposed 2015/2016 budget. Ideally you will be able to attend the meeting. However if you cannot attend or wish not to, voting by proxy will allow you to have your voice heard. If you intend to have a Board member vote your proxy be advised it must be returned in the enclosed envelope no latter than May 20, 2015. Please review all enclosed information carefully.

## HELP WANTED!

Your current board members have taken the Services Company off to a great start -- but they can't go on forever. Some members of our team are ready to move on, focusing instead on long-postponed travel plans. **There will be upcoming vacancies on the board that must be filled** if we are to continue delivering the Park services you all expect. If you are a shareholder, please consider becoming a board member for 2015-2016 -- we need your help! Throw your hat in the ring by calling the number above to get on the ballot at the Annual Meeting.

## REGARDING THE PROPOSED 2015/2016 BUDGET

As in previous years, the budget for the Services Company is presented in parts: 1) ROADS, 2) ANCILLARY SERVICES, and this year part 3) the BRIDGE (Replacement Project). Again as in the past, the annual bill for Services is computed using only the ROADS portion of the budget divided by the number of properties in the Park.

ROADS	2013/2014	2014/2015	2015/2016 Proposed
Bill	\$547	\$544	\$540
Ancillary Services			
Premium			\$ 50
Bridge Fund		\$ 50	\$ 50

The revenue that is used to pay for Ancillary Services (Trash, Pine Needles, Common Area Maintenance, and General Administration associated with those items) comes for the most part from Lease Easement payments made to the Services Company by the Water Company.

The funding earmarked for the Footbridge Replacement Project is a two-year \$50/year special line item on all property owners' bills.

## SUBJECT TO CHANGE

The budget as proposed herewith is subject to modification between now and the meeting. Here is why that may be the case. As you were informed at last year's annual meeting, the Recreation Association (RA) had, and still does have, pending litigation against property owners who failed to pay or only partially paid the RA for ROADS MAINTENANCE (dating pre-13/14). By general consensus at last year's meeting, the Services Company has held off

initiating a similar lawsuit and incurring the associated legal expense. It is believed the settlement of the yet-pending RA case will establish a precedent on which the Services Company can and will proceed to secure collection from non- or only partially-paying property owners.

Amazing that it has taken this long but it may be that the issues raised by the RA regarding payments for ROADS MAINTENANCE will yet be resolved prior to our Annual Meeting. Additionally as of this mailing, the CPUC's ruling on the Water Company's Application and approval of proposed rates is still pending. The outcome of that could impact the Lease Easement payment amounts the Water Company has paid, and in the future may pay, the Services Company.

The board continues to manage these uncertainties with fiscal prudence, frequent communications with the RA and guidance from our legal counsel. Should anything change between now and the shareholder meeting, we will of course let you all know at that time.

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Respectfully,

Michael Lechner

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**NOTICE OF ANNUAL MEETING OF  
SHAREHOLDERS OF  
SIERRA PARK SERVICES COMPANY, INC.**

Notice is given that the annual meeting of the shareholders of Sierra Park Services Company, Inc. (the "Corporation"), will be held at the Recreation Hall which is located on Wheeler Road, Long Barn, California, on May 24, 2015, at 9:00 AM. Shareholder registration for the meeting will take place at the Recreation Hall from 7:30 to 8:45 AM. To be considered and acted on will be:

1. Election of Directors. The board of directors of the Corporation (the "Board") intends at this time to present the following nominees for election by the shareholders to the Board:

Michael Lechner  
Wanda Lenhardt  
Mark Logan  
Bill Ordwein  
Heidi Ordwein

2. Annual Report and Budget. The Chairman of the Board shall report on the transactions and matters related to the Corporation from the prior year and shall present for action by the shareholders, and request that the shareholders ratify and approve, the annual budget for the Corporation previously approved by the Board.
3. Such other business as may be properly presented at the meeting for action by the shareholders. If you do not expect to be present at the meeting and wish your shares to be voted, you may complete the attached form of proxy and mail it in the enclosed addressed envelope.

Date: April 9, 2014

Sierra Park Services Company, Inc.

By: T. M. LECHNER  
Michael Lechner, President

## PROXY INSTRUCTIONS

### ANNUAL MEETING OF SHAREHOLDERS OF SIERRA PARK SERVICES COMPANY, INC.

As a shareholder in Sierra Park Services Company, Inc. (the “Corporation”) you have the right to vote on matters presented to the shareholders for action at the annual meeting. The Board of Directors of the Corporation strongly urges your, and your co-owners, participation at the annual meeting. Important matters will be presented for the vote and approval of the shareholders including the election of the members of the Board of Directors for 2015/2016 and the ratification and approval of the 2015/2016 budget adopted by the Board of Directors.

It is very important that every shareholder participates in the voting processes, but we recognize that not everyone can attend the annual meeting and our bylaws provide for voting by proxy. We hope to have as many shareholders present at the annual meeting as possible but we do understand that many things can cause our shareholders to be unable to attend in person. Voting through a proxy will allow your voice to be heard.

The following is a blank form of proxy for the upcoming annual meeting of the shareholders that you can use to exercise your voting privilege without being present. In the event you cannot or do not wish to vote your share(s) in person at the annual meeting it is very important that you do so by proxy. You may grant a co-owner of your property, any other shareholder or other third-party, the right to vote your share(s) by proxy. Please be sure to sign, date and deliver this proxy to your proxy holder in advance of the annual meeting as that person will need to present the signed and dated proxy, along with appropriate identification, at the time of the annual meeting to be able to vote on your behalf by proxy.

In the event you cannot attend and do not have someone you would like to assign your proxy to, the members of the current Board of Directors are willing to exercise your proxy for you. Current Board members are Michael Lechner, Heidi Ordwein, Bill Ordwein, Wanda Lenhardt, and Mark Logan. All proxies designated to current board members must be received by the Corporation at P.O. Box 293, Mi Wuk Village, California, 95346, **no later than May 20, 2015**.

SIERRA PARK SERVICES COMPANY, INC.

PROXY

The undersigned shareholder(s) of Sierra Park Services Company, Inc., a California corporation (the "Corporation"), appoint(s) \_\_\_\_\_ [Print Name] as proxy and attorney-in-fact, with full power of substitution, to represent the undersigned at the annual meeting of shareholders to be held on May 24, 2015, at 9:00 AM, at the Recreation Hall which is located on Wheeler Road, Long Barn, California and at any adjournment of that meeting, and to vote all shares of stock that the undersigned would be entitled to vote if personally present, on the matters and in accordance with any instructions set forth below.

The proxy holder shall be entitled to cast the number of votes the undersigned would be entitled to cast if personally present, for or against any proposal, including the election of members of the board of directors, and any and all other business that may come before the meeting.

SHAREHOLDER: IF YOU WISH TO INSTRUCT THE PROXY HOLDER REGARDING THE VOTING OF YOUR SHARES, PLEASE CHECK THE APPROPRIATE BOXES BELOW AND COMPLETE THIS FORM. WITH RESPECT TO ELECTION OF DIRECTORS. IF YOU WISH TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, DRAW A LINE THROUGH THAT NOMINEE'S NAME. YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS.

ANY SHAREHOLDER COMPLETING THIS PROXY WHO FAILS TO CHECK ANY BOXES OR OTHERWISE MARK THE PROXY FORM WILL BE DEEMED TO HAVE GIVEN THE PROXY HOLDER COMPLETE DISCRETION IN VOTING WITH RESPECT TO THE MATTERS LISTED BELOW.

1. Election of Directors:

FOR all nominees listed below except as indicated \_\_\_\_\_ (Check)  
WITHHOLD authority to vote for all nominees listed \_\_\_\_\_ (Check)

NOMINEES

- Michael Lechner \_\_\_\_\_
- Wanda Lenhardt \_\_\_\_\_
- Mark Logan \_\_\_\_\_
- Bill Ordwein \_\_\_\_\_
- Heidi Ordwein \_\_\_\_\_

2. Annual Report and Budget (Check one):

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_ Abstain \_\_\_\_\_

[Signature appears on following page]

[Signature page to Proxy]

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

SHARE NUMBER(S): \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

**SHAREHOLDER:** THIS PROXY SHOULD BE MARKED, DATED, AND SIGNED BY THE SHAREHOLDER EXACTLY AS HIS OR HER NAME APPEARS ON THE SHARE CERTIFICATE(S), AND RETURNED PROMPTLY TO THE CORPORATION. A CORPORATION, LIMITED LIABILITY COMPANY, TRUST OR OTHER ENTITY, SHOULD SIGN ITS NAME BY AN OFFICER, TRUSTEE OR OTHER AUTHORIZED PERSON, DESIGNATING THE TITLE HELD.

**YOUR NAME AS IT APPEARS ON YOUR STOCK CERTIFICATE IS:**

\_\_\_\_\_

<b>SERVICES COMPANY 2015/2016 PROPOSED BUDGET</b>		
<b>ROADS</b>		<b>EXPENSE</b>
1	Maintain and Repair Roads	
1.0	Administration and Fees	
1.11	Insurance	\$20,000
1.12	Property Tax	\$3,400
1.13	Taxes and Licenses	\$100
1.14	Accounting	\$16,000
1.15	Credit Card Charges	\$2,000
1.16	Professional Services Consulting	\$1,200
1.17	Legal Consulting	\$15,000
1.18	Member Communications	\$3,000
	sub total	\$60,700
2.0	Operation and Maintenance	
2.21	Maintain Roads and Snow Removal	\$45,000
2.22	Labor	\$4,100
2.23	Roads Building Maintenance	\$20,000
2.24	Road Equipment Maintenance	\$10,000
2.25	Road Equipment Reserves	\$20,000
2.26	Roads Fuel	\$2,500
2.27	Roads Supplies	\$500
	sub total	\$102,100
3.0	Clean up Work	
2.31	Clean drive culverts	\$2,200
2.32	Clean ditches and bar culverts	\$3,300
	sub total	\$5,500
	<b>TOTAL MAINTAIN AND REPAIR ROADS =</b>	<b>\$168,300</b>
<b>ANCILLARY SERVICES</b>		
2	Refuse Collection and Disposal	
2.1	Labor	\$4,300
2.2	Garbage	\$15,000
	Total Refuse Collection and Disposal	\$19,300
3	Pine Needle Collection	
3.1	Labor	\$3,300
3.2	Needle Expense	\$15,000
	Total Pine Needle Collection	\$18,300
4	Maintain Common Areas	
4.1	Other Labor	\$1,100
4.2	Maintain Lake	\$1,100
4.3	Fuel	\$1,000
4.4	Lodge Supplies	\$100
4.5	Maintain Structures	\$2,500

4.6	General Maintenance	\$11,000
	Total Maintain Common Areas	\$16,800
5	General Administration	
5.1	Insurance -General	\$10,000
5.2	Equipment Purchase / Rental	\$3,000
5.3	Utilities	\$6,000
5.4	Fishing Derby	\$2,000
5.5	Fees	\$500
5.6	Bank Charges	\$325
5.7	Health & Safety (porta potties, fire exh., etc.)	\$5,000
5.8	Office Expense	\$1,200
5.90	Recreation (4 events)	\$1,500
	Total General Administration	\$29,525
	<b>TOTAL ANCILLARY SERVICES =</b>	<b>\$83,925</b>
<b>INCOME</b>		
	<b>ROADS</b>	<b>REVENUE</b>
	TOTAL 2015/2016 ROADS BUDGET =	\$168,300
	PROFIT (15%) =	\$25,245
		\$193,545
	PER LOT COST (359 Lots) =	\$540.00
	<b>ANCILLARY SERVICES</b>	
	<b>ADDITIONAL SOURCE/INCOME:</b>	
	Income from Water Easement Lease payment	\$44,600
	Income interest	\$200
	Income Fish Derby donations	\$500
		\$45,300
	TOTAL 2015/2016 ANCILLARY SERVICE COST =	\$83,925
	LESS ADDITIONAL INCOME =	\$45,300
		\$38,625
	ALLOCATE 2015/2016 PROFIT TO ANCILLARY SERVICES COSTS =	\$25,245
	2015/2016 ANCILLARY SERVICES PREMIUM (\$50 X 359) =	\$17,950
	END OF YEAR (Expenses to Income) =	\$4,570
<b>BRIDGE REPLACEMENT PROJECT</b>		
7	Bridge Replacement	
7.1	Special Reserves (\$50/lot/year - 14/15 and 15/16) =	\$50
	REVENUE (\$17,950)	
	<b>TOTAL 15/16 BILL PER LOT =</b>	<b>\$640</b>